



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

APPELLANT: Jim Lappas
DOCKET NO.: 18-01594.001-C-1
PARCEL NO.: 11-21-221-014

The parties of record before the Property Tax Appeal Board are Jim Lappas, the appellant, by attorney George N. Reveliotis, of Reveliotis Law, P.C. in Park Ridge, 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: \$110,214
IMPR.: \$37,996
TOTAL: \$148,210

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 2018 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 one-story retail store operated as a fast food restaurant of masonry exterior construction with 2,100 square feet of building area¹ which was built in 1969. Features include a concrete slab foundation and central air conditioning. The property has a 17,000 square foot site and is located in Libertyville, Libertyville 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 Robert S. Kang, a Certified General Residential Real Estate Appraiser. The 57-page appraisal report with addendum pages, written as of September 2017, was developed for a real estate tax appeal and estimated the subject property had a market value of \$370,000 as of January 1, 2017.

¹ The appellant's appraiser further described the building as having 1,950 square feet of restaurant area and 150 square feet of storage area (Appraisal, p. 38).

As to the subject building, Kang described it to be in average condition, but with some signs of wear and tear on the flooring and wall treatments along with the mechanicals being at the end of their physical lives which will require repair or replacement in the near future (Appraisal, p. 39). The appraiser's comments on condition were further supported with photographs in the report. Kang stated the functional utility of the subject was below average as it was tailored to the special needs of the current owner which creates inutility for the typical user with the possibility of considerable costs to convert the building to an alternative commercial use (Id.).

Using the sales comparison approach, the appraiser considered five comparable sales in arriving at the value opinion. The comparables were located in Libertyville, Lake Zurich, Grayslake, Mundelein and Waukegan. The comparables have sites that range in size from 16,797 to 81,557 square feet or from .39 of an acre to 1.87-acres of land area. The comparable properties are each improved with a commercial one-story masonry building having been built between 1969 and 2002. The structures were used either as fast food restaurants or restaurants, with one noted as a "former" fast food property and one noted a full-service. The buildings range in size from 1,725 to 4,821 square feet of building area and each comparable has on-site parking. The comparables have reported land-to-building ratios ranging from 6.42:1 to 19.96:1. The comparables sold between January 2015 and January 2017 for prices ranging from \$275,000 to \$880,000 or from \$137.50 to \$207.98 per square foot of building area, land included. (Appraisal, pages 46 to 53).

Next, Kang applied adjustments to the comparables for differences when compared to the subject. On page 54 of the report, the appraiser began to describe the adjustments that were applied and noted that each of the comparables were located near the subject's general market area and were similar type buildings. Qualitative adjustments were analyzed for building size, construction quality, land-to-building ratio and age/condition as set forth in a chart on page 56 of the appraisal. Further discussion of the adjustments considered as to each comparable were further detailed by Kang on pages 56 and 57 of the appraisal report. After analyzing various potential categories for differences, Kang applied adjustments only for land-to-building ratio and age/condition differences to several of the comparables. Through this process, he opined downward adjustments ranging from 5% to 15% which resulted in adjusted sale prices ranging from \$130.63 to \$186.77 per square foot of building area, including land. As part of the final analysis, Kang reported sale #1 was closest in proximity to the subject and sales #1, #3 and #5 required the least amount of net adjustments. As a result, he opined the subject had a value bracketed between \$170.00 and \$180.00 per square foot and thus, the appraiser arrived at an estimated market value for the subject of \$175.00 per square foot of building area, including land, or \$370,000, rounded, as of January 1, 2017.

As the end of the sales comparison approach, Kang noted the subject fast food restaurant was "smaller in size" and to find similarly sized comparables, the geographic market was expanded and both fast food and other restaurants were utilized as the appraiser was "unable to locate any smaller comparables in the subject's immediate area." (Appraisal, p. 57).

Based on this evidence, the appellant requested an assessment reflective of the appraised value conclusion 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 \$148,210. The subject's assessment reflects a market value of \$448,035 or \$213.35 per square foot of living area, land included, when using the 2018 three year average median level of assessment for Lake County of 33.08% as determined by the Illinois Department of Revenue.

As to the appellant's appraisal evidence, the board of review asserted that appraisal sale #1 has resold in November 2016 for a higher sale price than reported in the appraisal; the new sale price was \$450,000 or \$260.87 per square foot of building area, including land (board of review comparable sale #1). The board of review further argued that the subject's estimated market value as reflected by its assessment on a per-square-foot basis falls within the range of the unadjusted sale prices contained within the appraisal report.

Additionally, the board of review noted that there was a prior stipulation for this property executed between the parties before the Property Tax Appeal Board for tax year 2015 (Docket No. 15-02896.001-C-1) and for tax year 2016, the Lake County Board of Review carried that 2015 agreed assessment forward, with application of the township equalization factor. For tax year 2017, the board of review also contends it "reduced the assessment reduction back to the same level as the tax 2016." For this pending tax year 2018 appeal, the board of review noted that the appellant "has once again submitted the Kang 2017 appraisal."

In support of its contention of the correct assessment the board of review submitted five Costar sales data sheets. The board of review failed to set forth the comparables in a grid analysis. From the data sheets, the Board finds the comparables were located in Libertyville, Waukegan and Lake Zurich and board of review comparable #1 is the same property as appraisal sale #1. The comparable parcels range in size from 18,731 to 80,586 square feet of land area or from .43 of an acre to 1.85-acres of land area. Each parcel has been improved with a "retail – fast food" or "retail-restaurant" building. Comparables #1 and #4 were built in 1969 and 1980, respectively; no dates of construction were provided for the remaining comparables. The buildings range in size from 1,725 to 4,500 square feet of building area. Three of the comparables were noted as having a "drive-thru" and comparable #4 was noted as a corner lot. Comparable #5 was noted to have 18 parking spaces. The comparables have land-to-building ratios ranging from 5.4:1 to 27.8:1. The properties sold between November 2016 and August 2018 for prices ranging from \$450,000 to \$975,000 or from \$198.60 to \$315.60 per square foot of building area, including land. Based on this evidence and argument, the board of review requested confirmation of the subject's assessment.

In rebuttal, the appellant argued that the board of review's sales data consisted of raw sales with no adjustments for differences, consideration of market conditions and/or other factors. In contrast, the appellant's evidence consisted of an appraisal where the appraiser selected, analyzed and adjusted the comparables to arrive at an opinion of value of the subject property.

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 four suggested comparable sales to support their respective positions before the Property Tax Appeal Board. The Board has given reduced weight to the appellant's appraisal and board of review comparable #1 as the sales utilized in the appraisal and reflecting board of review comparable #1 sold on dates more remote in time to the valuation date at issue of January 1, 2018 and thus are less likely to be indicative of the subject's estimated market value as are other sales in the record. The Board has also given reduced weight to board of review comparables #2 and #3 as these properties each have substantially greater land-to-building ratios than the subject property.

As to the appellant's appraisal report, the Kang appraisal with a valuation date of January 1, 2017 was filed to challenge the assessment date of January 1, 2018 in this matter. In Cook County Board of Review v. Property Tax Appeal Board, 334 Ill. App. 3d 56, 777 N.E.2d 622 (1st Dist. 2002), the court stated "[t]here is no requirement that a taxpayer must submit a particular type of proof in support of an appeal. The rule instead sets out the types of proof that *may* be submitted. . . . Whether a two-year old appraisal is 'substantive, documentary evidence' of a property's value goes to the weight of the evidence, not its admissibility. [citing Department of Transportation v. Zabel, 47 Ill. App. 3d 1049, 1052, 362 N.E.2d 687 (1977) (whether a six-month-old appraisal is sufficient to establish value is for the trier of fact to consider in weighing the evidence)]." In this matter, the Property Tax Appeal Board gives less weight to the Kang appraisal as it relies upon sales that occurred in 2015 and 2016 with only one sale that occurred in 2017, a date more proximate in time to the valuation date at issue of January 1, 2018.

The Board finds the best evidence of market value to be appraisal sale #2 along with board of review comparable sales #4 and #5 despite the unknown characteristic of age of comparable #5 and the substantially larger building areas of both appellant's #2 and board of review #5; two of these properties were, however, more similar to the subject in land area and land-to-building ratio. These three comparables sold from January 2017 to August 2018 for prices ranging from \$540,000 to \$975,000 or from \$182.54 to \$216.67 per square foot of building area, including land. The subject's assessment reflects a market value of \$448,035 or \$213.35 per square foot of building area, including land, which is supported by the best comparable sales in the record on a per-square-foot basis. After considering adjustments to the comparables for differences when compared to the subject, 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. 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



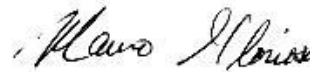
Member

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: June 16, 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

AGENCY

State of Illinois
Property Tax Appeal Board
William G. Stratton Building, Room 402
401 South Spring Street
Springfield, IL 62706-4001

APPELLANT

Jim Lappas, by attorney:
George N. Reveliotis
Reveliotis Law, P.C.
1030 Higgins Road
Suite 101
Park Ridge, IL 60068

COUNTY

Lake County Board of Review
Lake County Courthouse
18 North County Street, 7th Floor
Waukegan, IL 60085