



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

APPELLANT: Chateau Elite Daycare  
DOCKET NO.: 18-04069.001-C-1  
PARCEL NO.: 10-36-109-030

The parties of record before the Property Tax Appeal Board are Chateau Elite Daycare, 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:** \$175,516  
**IMPR.:** \$153,845  
**TOTAL:** \$329,361

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 commercial building of masonry exterior construction utilized as a daycare facility with 9,144 square feet of gross building area that was constructed in 2000. Features include a concrete slab foundation and central air conditioning. The property has a 60,548 square foot site resulting in a land-to-building ratio of 6.62:1 and is located in Mundelein, Fremont Township, Lake County.

The appellant contends overvaluation as the basis of the appeal.<sup>1</sup> In support of the market value argument, the appellant submitted an appraisal prepared by Christopher R. Glenday, a Certified General Real Estate Appraiser with the SRA designation. The appraisal was prepared utilizing fee simple rights and performed for an ad valorem real estate assessment appeal. The appraiser utilized both the income and sales comparison approaches to value in estimating the subject had

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<sup>1</sup> The appellant's request for a hearing was waived with the rebuttal filing.

a market value of \$850,000 or \$92.96 per square foot of building area, including land, as of January 1, 2019.

At pages 10 and 29 of the appraisal, the appraiser stated the cost approach was not developed as accrued depreciation would require subjective deductions, area land sales data is scarce and also this approach is given little emphasis typically by buyers when making pricing decisions involving this type of property.

Commencing on page 30 of the report, the appraiser performed a sales comparison approach to value analyzing four sales of comparable properties. The comparables range in building size from 5,379 to 10,564 square feet of building area and have land-to-building ratios ranging from 4.47:1 to 10.58:1. The comparables sold from January 2018 to March 2019 for prices ranging from \$450,000 to \$750,000 or from \$71.00 to \$103.57 per square foot of building area, including land. After applying adjustments to the comparables differences in location, land-to-building ratio, building size and/or age from the subject, Glenday selected a unit value of \$95 per square foot of building area, including land, for the subject resulting in an opinion of \$820,000, rounded.

Commencing on page 35 of the report, the appraiser performed an income capitalization approach to value. The appraiser used eight market rent comparables that ranged in size from 5,000 to 10,000 square feet. Their asking rents ranged from \$6.90 to \$26.00 per square foot either on a triple net or a modified gross basis. The appraiser estimated the subject had a market rent of \$14.00 per square foot of building area and thus, the appraiser estimated the subject had a gross income of \$128,016.

Glenday stated in his report that based on analysis of databases and rental data, the subject would have a vacancy rate of 5% and a management fee and miscellaneous expenses of 24.34% of effective gross income. After making deductions for vacancy as well as for management and miscellaneous expenses, Glenday estimated the subject had a net operating income of \$94,316.

The capitalization rate for the subject was determined to be 7.6% with the effective tax rate of 3.6% added resulting in an overall capitalization rate of 11.2%. Capitalizing the subject's net operating income resulted in an estimate of value under the income approach of \$840,000, rounded.

In reconciling the two approaches to value, Glenday gave primary emphasis to the sales comparison approach and secondary emphasis to the income approach to arrive at an estimate of value of \$850,000 as of January 1, 2019.

Based on the foregoing, the appellant requested a reduced total assessment of \$329,361 which would reflect a market value of \$988,182 or \$108.07 per square foot of gross building area, including land, 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 \$429,360. The subject's assessment reflects a market value of \$1,297,944 or \$141.94 per square foot of building 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.

In response to the appellant's evidence, the board of review submitted a memorandum noting that the appellant's requested assessment results in a market value estimate that is greater than the appraised value conclusion. The memorandum also asserts that only two of the appraisal's comparable sales are similar in design and "appeal" to the subject property. It was noted in the memorandum that no cost approach was performed "which would [have] been helpful in establishing the subject's site value and the properties highest and best use." A criticism of the income approach rental comparables and the appraiser's concluded value being below the value conclusion in the sales comparison approach were also argued.

Having considered the record, the board of review proposed a stipulated total assessment of \$380,962 or a reported estimated market value of \$1,143,000 or \$125.00 per square foot of gross building area, including land.

The appellant was informed of this proposed assessment reduction offered by the board of review and appellant rejected the offer within the rebuttal filing.

In rebuttal, the appellant further argued that the requested assessment reduction that is less than the market value reflected in the appraisal should not be deemed to be prejudicial in any manner in the appeal. Additionally, while the board of review provided no comparable data to support the assessment of the subject property, the appellant asserted that the appraiser chose not to perform a cost approach due to the subjective nature of depreciation calculations and because the cost approach is given little emphasis by buyers when making decisions involving properties of this type. Furthermore, the appellant contends the reconciliation of the two approaches to value support the appraiser's final value conclusion and the sales comparison approach alone supports the assessment request made by the appellant in this appeal.

### **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 and only evidence of market value in the record to be the appraisal submitted by the appellant which appeared to present a credible and logical opinion of value based upon two of the three traditional approaches to value. In contrast, the board of review proposed an assessment reduction for the subject property and set forth criticisms of the appellant's appraisal but provided no other market value data to support the subject's assessment.

The subject's assessment reflects a market value of \$1,297,944 or \$141.94 per square foot of building area, including land, which is above the appraised value conclusion in the record of \$850,000. The Board further finds that a reduction in the subject's assessment reflective of the

appraised value conclusion would result in more than a \$100,000 assessment reduction which would have required notification of affected taxing districts and giving them an opportunity to intervene in this proceeding. "In all cases where a change in assessed valuation of \$100,000 or more is sought, the board of review shall serve a copy of the petition on all taxing districts as shown on the last available tax bill." (35 ILCS 200/16-180). See also 86 Ill.Admin.Code §1910.40(f). Therefore, the Board finds that the subject property is overvalued and on this limited record a reduction commensurate with the appellant's request is the only appropriate result.

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:

December 21, 2021



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

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