



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

APPELLANT: Kevin Walsh
DOCKET NO.: 19-03267.001-C-1
PARCEL NO.: 11-19-315-033

The parties of record before the Property Tax Appeal Board are Kevin Walsh, the appellant; 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: \$39,707
IMPR.: \$45,406
TOTAL: \$85,113

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 2019 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 improved with a 1-story commercial building with a frame and brick exterior containing a total building area of 3,211 square feet.¹ The building was constructed in 1970 and is described as an old gas station that was converted into part office and part retail space. The property is located in Mundelein, Libertyville Township, Lake County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted a grid analysis containing information on three comparable sales located within .25 of a mile from the subject property. The comparables have lots ranging in size from 7,405 to 37,015 square feet of land area and are improved with block, brick, or frame commercial buildings that range in size from 4,820 to 8,445 square feet of building area. The comparables have land-to-building ratios ranging from .84:1 to 7.68:1. The comparables range

¹ Some descriptive information was drawn from the subject's property record card submitted by the board of review and the Multiple Listing Service (MLS) sheet associated with the subject's listing (Trial Exhibit 1).

in age from 35 to 50 years old. The sales occurred from October 2016 to October 2019 for prices ranging from \$300,000 to \$400,000 or from \$46.00 to \$62.24 per square foot of building area, including land.

The appellant testified that comparable sale #1 was on the market for a considerable amount of time before it finally sold. The appellant also argued that comparables #2 and #3 are much bigger in building size but sold for less per square foot of building area than the subject as reflected by the assessment. Based on this evidence and argument, the appellant requested the subject's assessment be reduced to \$54,581, which would reflect a market value of approximately \$163,759 or \$51.00 per square foot of building area, including land, when applying the statutory level of assessment of 33.33%.

Under cross-examination, the appellant agreed that appellant's comparable #1 was a short sale but contended that it was nevertheless a "qualified" sale. Furthermore, upon questioning regarding the subject's listing in March 2016 for a price of \$349,900, the appellant noted that the property did not sell. Under further cross-examination, the appellant confirmed that in May 2018, the appellant re-financed the loan for the subject property secured by a Mortgage and a Promissory Note in the amount of \$133,500. The Mortgage contains a limitation clause that at no time shall the principal amount of indebtedness secured by the Mortgage exceed \$267,000. (Trial Exhibit #2).

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$85,113. The subject's assessment reflects a market value of \$258,781 or \$80.59 per square foot of building area, land included, when using the 2019 three-year average median level of assessment for Lake County of 32.89% as determined by the Illinois Department of Revenue.

In response to the appellant's evidence, the board of review submitted descriptive information on five comparable sales located in Mundelein, Grayslake, and Libertyville. The board of review comparables #2 and #5 are the same properties as appellant's comparables #3 and #2, respectively. The comparables range in age from 32 to 129 years old. They have sites ranging in size from 3,181 to 20,227 square feet of land area and are improved with commercial buildings ranging in size from 4,954 to 9,165 square feet of building area and land-to-building ratios ranging from .35:1 to 2.4:1. The comparables sold from February 2016 to October 2019 for prices ranging from \$350,000 to \$500,000 or from \$38.19 to \$98.91 per square foot of building area, including land. The board of review also submitted a memorandum contending that appellant's comparable #1 was a short sale and sold "as-is," and comparables #2 and #3 support the assessment and are duplicates of board of review comparables #5 and #2, respectively. Lastly, the board of review submitted Multiple Listing Service (MLS) sheets associated with each sale (Trial Exhibit #1) along with property record cards for each of the parties' comparables.

Representing the Lake County Board of Review before the Property Tax Appeal Board was Mr. Marty Kinczel who argued that for the tax year 2016, the Property Tax Appeal Board issued a decision based on the agreement of the parties determining the total assessment for the subject property of \$81,992 which is slightly less than the subject's 2019 total assessment of \$85,113. (Trial Exhibit #3). Mr. Kinczel also argued that with respect to the Mortgage signed by the

appellant in May 2018 with regard to the subject property, the maximum limit of indebtedness against the subject property of \$267,000 means that the actual market value of the subject is much higher given the typical loan-to-value ratios utilized by most lending institutions.

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.

As an initial matter, the Board has considered but has not given any weight to the MLS sheet (Trial Exhibit #1) associated with the subject's listing due to the subject property not having sold. Additionally, the listing occurred in March 2016, which is too remote in time from the January 1, 2019, assessment date at issue. Lastly, the listing price typically tends to set the upper limit of the subject's value as of the listing date rather than being a reliable reflection of the subject's market value as of the lien date in question.

The record contains information on six comparable sales submitted by the parties, including two common comparables, in support of their positions before the Property Tax Appeal Board. The Board gave less weight to appellant's comparable sale #1 and board of review comparable sale #1 based on their sale dates in 2016 which are more remote in time from the January 1, 2019 assessment date at issue and therefore less likely to accurately reflect the subject's market value as of the said lien date than the rest of the comparables in the record. Additionally, appellant's comparable #1 was a short sale suggesting that there may have been duress associated with this sale and therefore this sale may lack all the elements of an arm's-length transaction. The Board also gave less weight to board of review comparables #1, #3, and #4 based on their locations being in different cities/villages than the subject property.

On this record, the Board finds the best evidence of market value to be the parties' two common comparables. However, these two comparables are much larger in building size and one has significantly larger land area relative to the subject property suggesting that adjustments would need to be considered to these comparables in order to make them more equivalent to the subject. The two best comparables in the record sold in May 2018 and October 2019 for prices of \$387,500 and \$400,000 or for \$46.00 and \$47.37 per square foot of building area, respectively. The subject's assessment reflects a market value of \$258,781 or \$80.59 per square foot of building area, including land, which is lower than the two best comparable sales in this record on an overall value basis and higher on a per square foot basis. Given the subject's significantly smaller building size relative to the two best comparables in the record and considering the well-established real estate principle of economies of scale, it is logical that, all else being similar, the subject's price per square foot would be higher.

In addition, the evidence in the record of the mortgage that was taken out against the subject property in close proximity to the January 1, 2019 assessment date at issue containing a limiting clause that at "no time shall the principal amount of indebtedness secured by the Mortgage ...

exceed \$267,000” lends support to board of review’s argument that the appellant’s lender valued the subject property as high as \$267,000. On this record, and after considering the adjustments to the two best (as well as common) comparables for differences from the subject property, the Board finds that the appellant did not demonstrate by a preponderance of the evidence that the subject property is overvalued and, therefore, a reduction in the subject's assessment is not warranted.

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:

August 23, 2022



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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