



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

APPELLANT: TLC Commercial Properties, LLC
DOCKET NO.: 20-02924.001-R-1
PARCEL NO.: 08-21-211-003

The parties of record before the Property Tax Appeal Board are TLC Commercial Properties, LLC, the appellant, by attorney Robert J. Masini, of Grach, Masini, Hazan & Gurysh, LLP in Libertyville; 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: \$6,871
IMPR.: \$45,506
TOTAL: \$52,377

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 2020 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 2.5-story apartment building¹ of aluminum siding exterior construction with 2,480 square feet of living area. The dwelling was constructed in 1915. Features of the dwelling include a full basement, seven bedrooms, and three full bathrooms. The property has a 7,450 square foot site and is located in Waukegan, Waukegan Township, Lake County.²

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal estimating the subject property had a market value of \$122,000

¹ The parties differ as to the design of the subject property. The Board finds the appraisal, describing the property as having a third-floor apartment, to be the best evidence of design in the record.

² The parties differ as to parcel size. The Board finds the property record card provided by the board of review to be the best evidence of parcel size in the record.

as of January 1, 2020. The appraisal was prepared by James Leech, a Certified General Appraiser. The purpose of the appraisal was to determine the fair market value of the subject property for a real estate tax appeal.

In estimating the market value of the subject property, the appraiser developed the sales comparison approach to value by using four comparable sales located between .31 and 5.24 miles from the subject. The comparables are improved with three-unit to six-unit apartment buildings that range in size from 2,264 to 12,400 square feet of living area. The dwellings are 55 to 115 years old. Limited descriptive data was provided regarding other salient features of the properties. The sales occurred from February 2018 to September 2020 for prices ranging from \$115,000 to \$165,888 or from \$35.34 to \$51.68 per square foot of living area, including land. Adjustments were applied for differences between the comparables and the subject property for quality or age, condition, unit mix, land to building ratio, and location to arrive at adjusted prices ranging from \$93,594 to \$587,760 or from \$24.80 to \$47.40 per square foot of living area, including land. After analyzing the price per square foot, price per unit, and price per room values, the appraiser arrived at a market value of \$120,000 or \$48.39 per square foot of living area, including land, as of January 1, 2020.

In developing the income approach to value, the appraiser calculated an effective gross income of \$32,547 and a net operating income of \$14,947. An 8.5% capitalization rate was determined based on the mortgage equity technique. A 3.74% tax load was then added to the capitalization rate resulting in a reported 12.14% total rate³ and a value for the subject building of \$123,000.

In reconciliation, Leech stated that both the market and income approaches were applicable and arrived at a final opinion of value of \$122,000. Based on this evidence, the appellant requested the subject's assessment be reduced to reflect the appraised value.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$52,377. The subject's assessment reflects a market value of \$157,336 or \$63.44 per square foot of living area, land included, when using the 2020 three-year average median level of assessment for Lake County of 33.29% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment the board of review submitted information on four comparable sales located from .63 to 2.67 miles from the subject. The comparables are improved with two-story multi-unit apartment buildings or townhouse dwellings of brick or asbestos siding exterior construction ranging in size from 1,680 to 3,540 square feet of living area. The dwellings were constructed from 1901 to 1969. Three of the comparables each have a full basement with comparable #2 having a finished lower level. Comparable #3 has a 600 square foot garage. The comparables sold from April 2019 to December 2020 for prices ranging from \$210,000 to \$360,000 or from \$76.39 to \$219.35 per square foot of living area, including

³ There appear to be math errors in the tax load as well as the total overall rate calculations. The appraisal reports a total tax rate for the subject of 9.588% but calculates the tax load using an 11.3356% rate resulting in a reported 3.74% tax load. The appraiser then adds a 3.64% tax load to the 8.5% capitalization rate, resulting in a reported total of 12.14%.

land. Based on this evidence, the board of review requested confirmation of the subject's assessment.

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. Due to the use of two sales that occurred in 2018, one of which was over five miles from the subject and 400% larger in dwelling size, along with the lack of salient information being provided for the comparables, lack of adjustment for size differences, and math errors, the Board has given little weight to the value conclusion contained in the appellant's appraisal. The record also reveals other sales that were more proximate in time and location which were not utilized by appraiser Leech without any further explanation. This detracts from the appraisal's reliability as a valid indicator of the subject's market value. Due to the reliance on poor comparable sales in the sales comparison approach, the Board finds that it cannot rely on the appraiser's opinion and will instead examine the raw sales data submitted by both parties.

The Board gives reduced weight to appraisal comparable #2 due to its newer age as well as comparables #3 and #4 due to their less proximate sale dates for valuation as of January 1, 2020. The Board also gives reduced weight to board of review comparables #2 and #4 due to their newer ages when compared to the subject.

The Board finds the best evidence of market value to be appraisal comparable #1 and board of review comparables #1 and #3 which are more similar to the subject in age, location, and design, and sold more proximate in time to the January 1, 2020 lien date. These most similar comparable sales sold for prices ranging from \$117,000 to \$231,000 or from \$51.68 to \$76.39 per square foot of living area, including land. The subject's assessment reflects a market value of \$157,336 or \$63.44 per square foot of living area, including land, which falls within the range established by the best comparable sales in the record. Based on this evidence and after considering adjustments to the best comparables for differences, 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:

November 22, 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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