



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

APPELLANT: CLOG Properties LLC
DOCKET NO.: 20-07010.001-C-2
PARCEL NO.: 14-34-154-011

The parties of record before the Property Tax Appeal Board are CLOG Properties LLC, the appellant, by attorney Craig S. Krandel, of Timm & Garfinkel, LLC in Crystal Lake, and the McHenry 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 **McHenry** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$ 51,464
IMPR.: \$118,561
TOTAL: \$170,025

Subject only to the State multiplier as applicable.

Preliminary Matter

A consolidated hearing was conducted as to four appeals identified as Docket Nos. 20-07009.001-C-2, 20-07010.001-C-2, 20-07005.001-C-1 and 20-07011.001-C-2. Each of these four properties are located within the same commercial office condominium building and involve two appellants, each of whom are represented by the same attorney.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the McHenry 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 one-story commercial office condominium unit of frame and brick exterior construction with 4,898 square feet of building area, commonly known as Unit B. The building was constructed in approximately 2001 and is 19 years old. The building is fully sprinklered and features two common bathrooms and a common basement area of approximately

2,861 square feet. The entire condominium building has a 2.81-acre site and is located in Crystal Lake, Nunda Township, McHenry County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted information on three comparable sales located in the same office condominium building. Comparable sales #1, #2 and #3, respectively, are commonly known as Units A, C and D, respectively, in the subject's condominium building and are separately the subject matters of Docket Nos. 20-07009, 20-07011 and 20-07005, respectively, in which the Property Tax Appeal Board determined in decisions being issued simultaneously with this decision that those three sales did not qualify as ordinary market-based typical sales transactions.

The comparable sales #1, #2 and #3 contain 5,197, 7,678 and 2,051 square feet of building area, respectively. The properties sold in either December 2018 or August 2020 for prices reported by the appellant of \$188,000, \$215,044 and \$73,956, respectively, or for \$36.17, \$28.01 and \$36.06 per square foot of building area, including land, respectively. As the Board determined in the respective decisions, Units C and D, which sold in a combined transaction for \$289,000, are deemed to have sold for prices of \$213,860 and \$75,140 or for \$27.85 and \$36.64 per square foot of building area, including land, respectively, as detailed in Docket Nos. 20-07011 and 20-07005 based upon an apportionment guided by the respective assessments of the parcels. To support the reported sales prices, the appellant provided copies of the respective closing statements which have also been fully addressed in the prior decisions issued by the Board.

Recognizing testimony previously provided in the consolidated hearing by the township assessor, counsel for the appellant argued that his client seeks to have the 'market price' of these office condominium units applied for assessment purposes as opposed to 'market value.' (TR. p. 51)

Based on the foregoing evidence, the appellant requested a reduced total assessment of \$52,170 which would reflect a market value of approximately \$156,526 or \$31.96 per square foot of building area, including land, when applying the statutory level of assessment of 33.33%.

The board of review appeared at hearing by board member, Sharon Bagby. The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$170,025. The subject's assessment reflects a market value of \$509,667 or \$104.06 per square foot of building area, land included, when using the 2020 three year average median level of assessment for McHenry County of 33.36% as determined by the Illinois Department of Revenue.

At hearing and without objection, the board of review introduced Board of Review Hearing Exhibit #1, a Multiple Listing Service (MLS) data sheet concerning the May 16, 2017 offering of Unit C (based on the stated property address) in the subject complex, although in the remarks section it is noted in pertinent part, "relocation sale, 10,876 SF medical office space, **2 suites** constructed for orthopedics and rehab." [Emphasis added.] The document depicts an original asking price of \$1,250,740 which was eventually reduced and the property sold for \$289,000 after being on the market for 553 days.

The board of review called Nunda Township Assessor Mark S. Dzemske as its witness. Dzemske testified that the subject office condominium building contains four units with

individual parcel numbers. Dzemske opined that this is one of the highest quality condominium buildings in the township. Other than its location, which hinders the property, it is Dzemske's opinion that it would probably qualify as a Class A facility; however, due to its location, Dzemske characterized the building as a Class B facility. (TR. p. 17 – 19, 40)

In a letter submitted as evidence by the board of review, the assessor noted that Unit B had previously sold seventeen years earlier in March 2003 as a non-advertised sale for a price of \$1,173,364.

In support of its contention of the correct assessment, the board of review submitted documentation gathered by Dzemske with information on three comparable sales located either 8 or 8.2-miles from the subject property outside of the township along with two properties identified "for reference." Of the two reference properties, one is located in the same complex but in a separate building and one is located 6.1 miles from the subject in McHenry. [For ease of identification as necessary in this decision, the two reference properties will be identified as R1 and R2]. Each of the five comparables consist of one-story office condominium units ranging in size from 1,580 to 4,598 square feet of building area. The units range in age from 13 to 31 years old. Except for R2 which was identified as a "100% raw shell (no floor)," the comparables were described like the subject as having good utility. Four of the comparables were sprinklered like the subject and none of the comparables has a basement like the subject. The five identified properties sold from April 2018 to September 2019 for prices ranging from \$199,000 to \$540,000 or from \$73.76 to \$151.56 per square foot of building area, including land.

According to Dzemske, he was unable to find information on professional office condominiums without making substantial adjustments which seemed too far out of range, thus the two properties were only cited as a reference. From the assessor's analysis, he reconciled the market value of Unit B at \$112 per square foot of building area or \$548,600, rounded. (TR. p. 22-23, 54)

Bagby, as a licensed appraiser, argued that the import of these four consolidated appeals is creation of your own market, with presentation of the sale of three of the building's units and the fourth unit arguing for like valuation based upon those three sales prices.

Based on the foregoing evidence, however, the board of review requested confirmation of the subject's estimated market value as reflected by its 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.

As an initial matter, since the appellant's comparable sales were each the subject matter of decisions being issued simultaneously, the Board finds it necessary to outline the market value

determinations that the Board has issued with regard to the comparable properties cited by the appellant in this appeal. Unit A, determined in Docket No. 20-07009 concluded an estimated market value for the property containing 5,197 square feet of \$100.00 per square foot of building area, including land. Unit C, determined in Docket No. 20-07011 concluded an estimated market value for the property containing 7,678 square feet of \$90.00 per square foot of building area, including land. Unit D, determined in Docket No. 20-07005 concluded an estimated market value for the property containing 2,051 square feet of \$110.00 per square foot of building area, including land. Thus, for purposes of the Property Tax Appeal Board's analysis, the Board will utilize the estimated market values made in these respective decisions as to the appellant's three comparable sales, having determined that the actual "market price" of those properties was suspect for the reasons stated in those three respective rulings.

In response, the board of review provided evidence of five comparable sales to support its position before the Property Tax Appeal Board. Based upon location, the Board has given greatest weight to board of review comparable sale R1, which despite being an older and smaller condominium than the subject, this comparable is located in the same complex as the subject, although not in the same building. The record establishes that board of review comparable R1, a 1,580 square foot unit, sold in September 2019 for \$199,000 or \$125.95 per square foot of building area, including land. The subject's assessment reflects a market value of \$509,667 or \$104.06 per square foot of building area, including land, which appears to be justified when giving greatest weight to board of review comparable R1 and giving due consideration to appropriate adjustments for differences in age and/or building area square footage. Based on this evidence, 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 27, 2023



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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