



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

APPELLANT: TLC Commercial Properties, LLC  
DOCKET NO.: 21-01867.001-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:** \$7,375  
**IMPR.:** \$48,846  
**TOTAL:** \$56,221

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 2021 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 building of vinyl siding exterior construction with 2,480 square feet of gross building area. The building was constructed in 1915 and is approximately 106 years old. The building has a basement and five apartment units with a total of 14 rooms, consisting of two studio units, two 1-bedroom units, and one 2-bedroom unit. The property has a 6,600 square foot site and is located in Waukegan, Waukegan Township, Lake County.

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 \$130,000 as of January 1, 2021. The appraisal was prepared by James W. Leech, a certified general real estate appraiser, for *ad valorem* tax purposes.

The appraiser inspected the property on March 15, 2021. The appraiser noted at the time of inspection all units were occupied, the building appeared adequately maintained, and in average condition.

Under the sales comparison approach, the appraiser selected four comparable sales located from 0.31 of a mile to 2.10 miles from the subject. The parcels range in size from 5,227 to 11,370 square feet of land area and are improved with 1-story, 2-story, or 2.5-story apartment buildings ranging in size from 2,264 to 3,712 square feet of gross building area. The buildings range in age from 58 to 118 years old. Each building has from three to five apartment units. The comparables sold from February 2018 to September 2020 for prices ranging from \$115,000 to \$160,000, from \$33.67 to \$71.81 per square foot of gross building area, from \$25,000 to \$40,000 per apartment unit, or from \$6,250 to \$13,333 per room, including land. The appraiser made adjustments to the comparables for differences from the subject, such as location, quality/age, condition, and unit mix, to arrive at adjusted sale prices ranging from \$33.67 to \$43.09 per square foot of gross building area, from \$25,000 to \$34,500 per apartment unit, or from \$6,250 to \$8,509 per room, including land. Based on the foregoing, the appraiser estimated \$42.00 per square foot of gross building area, \$27,000 per apartment unit, or \$8,500 per room for the subject, resulting in a reconciled value under the sales comparison approach of \$125,000.

Under the income capitalization approach, the appraiser examined the subject's current rent roll which produces total monthly rent of \$2,985, or \$35,820 per year. The appraiser deducted an estimated 5% vacancy and collection loss, or \$1,791, to arrive at effective gross income of \$34,029. The appraiser next deducted operating expenses of \$17,750, based on the subject's actual expenses and market estimates, to calculate net operating income of \$16,279. The appraiser next utilized the band of investment method to compute a capitalization rate of 8.55%, which was supported by market rates for older buildings ranging from 8% to 9%. The appraiser concluded a loaded capitalization rate of 12.14%. Based on the foregoing, the appraiser calculated a value for the subject of \$134,094, rounded to \$134,000.

The appraiser did not develop the cost approach given the older age of the subject building. Based on the sales comparison and income capitalization approaches, the appraiser opined a market value for the subject of \$130,000 as of January 1, 2021.

Based on this evidence the appellant requested a reduction in the subject's assessment to reflect the appraised value conclusion.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$56,221. The subject's assessment reflects a market value of \$169,086, or \$68.18 per square foot of gross building area, or \$33,817 per apartment unit, or \$12,078 per room, land included, when using the 2021 three year average median level of assessment for Lake County of 33.25% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment the board of review submitted information on five comparable sales located from 0.09 of a mile to 1.71 miles from the subject. The parcels range in size from 3,240 to 9,360 square feet of land area. Four comparables are improved with

2-story apartment buildings<sup>1</sup> with three or four apartment units of aluminum, asbestos, or wood siding exterior construction. One comparable is improved with a 2-story duplex of brick exterior construction. The buildings range in size from 2,160 to 2,640 square feet of gross building area and were built from 1901 to 1935. Three buildings have a basement and two buildings have a concrete slab foundation. Two comparables each have a fireplace and two comparables each have a 360 square foot garage. The comparables sold from July 2020 to July 2021 for prices ranging from \$165,000 to \$209,000 or from \$69.51 to \$96.76 per square foot of gross building area, including land.

The board of review submitted a brief contending that the appraisal relies on two sales in 2018 although it states a value conclusion as of January 1, 2021. Moreover, the board of review stated appraisal sale #4 is located in North Chicago, not Waukegan.

Based on this evidence the board of review requested the subject's assessment be sustained.

### **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 presented an appraisal and the board of review presented five comparable sales in support of their respective positions before the Board. The Board gives less weight to the appellant's appraisal, which relies on two comparable sales occurring in 2018, which is more remote in time from the assessment date, one of which is located in a different city than the subject. Moreover, the appraiser developed the income capitalization approach but calculated income based solely on the subject's actual income, rather than market income. The appraiser stated both actual expenses and market expenses were considered, but the appraiser did not present any rent comparables or other evidence of market rents and expenses. For these reasons, the Board finds the appraisal states a less reliable and/or credible opinion of value, and the Board will instead consider the raw sales data presented in the appraisal and by the board of review.

The record contains a total of nine comparable sales for the Board's consideration. The Board gives less weight to appraisal sales #3 and #4 which sold less proximate in time to the assessment date than other comparables in this record and are located more than one mile from the subject. The Board gives less weight to appraisal sale #2, due to substantial differences from the subject in design and/or age. The Board also gives less weight to the board of review's comparables #2 and #4, due to substantial differences from the subject in building size and/or location more than one mile from the subject.

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<sup>1</sup> Although the board of review reported comparable #2 is a 1-story building, it also reported above grade building area greater than the reported ground floor building area, indicating this property has second floor building area.

The Board finds the best evidence of market value to be appraisal sale #1 and the board of review's comparables #1, #3, and #5, which are more similar to the subject in building size, design, age, location, site size, and features. These most similar comparables sold for prices ranging from \$117,000 to \$183,500 or from \$51.68 to \$75.04 per square foot of living area, including land. The subject's assessment reflects a market value of \$169,086, or \$68.18 per square foot of living area, including land, which is within the range established by the best comparable sales in the record. Based on this evidence and after considering appropriate adjustments to the best comparables for differences from 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.



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Chairman



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Member



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Member



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Member

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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



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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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APPELLANT

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COUNTY

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