



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

APPELLANT: LG Electronics USA Inc.
DOCKET NO.: 21-03282.001-C-3
PARCEL NO.: 15-34-404-002

The parties of record before the Property Tax Appeal Board are LG Electronics USA Inc., the appellant, by attorney Robert Rosenfeld, of Robert H. Rosenfeld & Associates, LLC 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 **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: \$106,572
IMPR.: \$909,339
TOTAL: \$1,015,911

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-story single-tenant office building of masonry exterior construction with 30,838 square feet of gross building area. The building was constructed in 2000. The property has a 43,560 square foot site,¹ and is located in Buffalo Grove, Vernon 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 \$1,850,000 as of January 1, 2020. The appraisal was prepared by Martin S. Siegel, MAI, a certified general real estate appraiser, for real estate tax assessment analysis purposes with Mr.

¹ The Board finds the best evidence of the subject's site size is found in its property record card presented by the board of review. The appraiser described the subject as having a 117,176 square foot site that includes two parcels, PINs 15-34-404-001 and 15-34-404-002. However, only PIN 15-34-404-002 is part of this appeal.

Jaeyoun Kim and Robert H. Rosenfeld (the appellant's attorney) identified as the intended users of the report.

The appraiser determined the highest and best use for the subject as vacant would be for development of a single-tenant office building and the highest and best use for the subject as improved would be its current use as a single-tenant office building.

Under the income capitalization approach, the appraiser selected four rental comparables with rents ranging from \$17.30 to 27.20 per square foot of gross building area, including real estate taxes and common area maintenance. The appraiser estimated a market rent of \$20.00 per square foot of gross building area for the subject, including real estate taxes and common area maintenance, to arrive at potential gross income of \$616,760. The appraiser next examined market vacancy rates to conclude a vacancy rate of 25% for the subject. Subtracting \$154,190 for vacancy and collection losses from potential gross income of \$616,760, the appraiser calculated effective gross income of \$462,570. The appraiser estimated expenses, including property management fees, common area maintenance, legal and professional fees, and replacement reserves, at \$7.93 per square foot of gross building area. Subtracting \$244,391 for expenses from effective gross income, the appraiser computed net operating income of \$218,179. To determine the capitalization rate, the appraiser examined market extracted overall capitalization rates ranging from 8.50% to 10.32% to conclude a capitalization rate for the subject of 9.00% and a loaded capitalization rate for the subject of 12.03%. Based on the foregoing, the appraiser computed a value for the subject of \$1,813,624, rounded to \$1,815,000.

Under the sales comparison approach, the appraiser selected four comparable sales located in Deerfield and Vernon Hills. The parcels range in size from 67,876 to 188,615 square feet of land area and are improved with 1-story or 2-story office buildings of masonry exterior construction ranging in size from 13,031 to 37,472 square feet of gross building area. The buildings were constructed from 1973 to 1990. The comparables sold from February 2016 to September 2019 for prices ranging from \$925,000 to \$1,860,000 or from \$49.04 to \$70.98 per square foot of gross building area, including land. Two comparables were sold to an owner-user and two comparables sold to an investor. The appraiser made adjustments to the comparables for inferior market conditions at the time of sale and for differences from the subject, such as location and physical characteristics, to conclude a value for the subject of \$60.00 per square foot of gross building area, or \$1,850,280, rounded to \$1,850,000.

The appraiser did not develop the cost approach due to the age of the improvements. In reconciliation of the income capitalization and sales comparison approaches, the appraiser gave more weight to the sales comparison approach to opine a value of \$1,850,000 for the subject as of January 1, 2020.

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 \$1,015,911. The subject's assessment reflects a market value of \$3,055,371 or \$99.08 per square foot of gross building area, 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 in Libertyville, Lincolnshire, Bannockburn, and Vernon Hills. The parcels range in size from 91,912 to 239,580 square feet of land area and are improved with 1-story, 2-story, or 3-story office or medical office buildings, four of which have masonry exterior construction. The buildings range in size from 18,712 to 46,981 square feet of gross building area and were constructed from 1981 to 2006. The comparables sold from August 2019 to June 2021 for prices ranging from \$2,000,000 to \$6,900,000 or from \$65.98 to \$158.55 per square foot of gross building area, including land. Four comparables are multi-tenant properties that were purchased by an investor and one comparable is a single tenant building that was purchased by an owner-user.

The board of review submitted a brief contending the appraisal is dated as of January 1, 2020 rather than the assessment date and three of the four comparable sales are dated. The board of review also asserted appraisal sale #1 is a multi-use building with residential area. 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 presented an appraisal and the board of review presented five comparable sales in support of their respective positions. The appraiser states a value conclusion as of January 1, 2020 rather than the January 1, 2021 assessment date and relied primarily on the sales comparison approach with three of the four sales occurring in 2016 and 2017, which occurred less proximate in time to the assessment date and are less likely to be indicative of value as of the assessment date. With respect to the remaining sale, the board of review contended this property is mixed-use building unlike the subject, which was not refuted by the appellant in written rebuttal. Furthermore, the appraisal states a value conclusion for two parcels rather than the parcel that is the subject of this appeal. For these reasons, the Board finds the appraisal states a less credible and/or reliable opinion of value as of the assessment date and the Board shall instead consider the raw sales data presented by the board of review.

The record contains a total of five comparable sales for the Board's consideration, which have varying degrees of similarity to the subject in design, building size, age, location, site size, and number of tenants. These comparables sold for prices ranging from \$2,000,000 to \$6,900,000 or from \$65.98 to \$158.55 per square foot of gross building area, including land. The subject's assessment reflects a market value of \$3,055,371 or \$99.08 per square foot of living area, including land, and falls 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.



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 21, 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

AGENCY

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