



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

APPELLANT: James Best
DOCKET NO.: 21-04640.001-C-1
PARCEL NO.: 15-06-200-063

The parties of record before the Property Tax Appeal Board are James Best, the appellant, by attorney Ronald Kingsley, of Lake County Real Estate Tax Appeal, LLC in Hawthorn Woods; 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: \$64,612
IMPR.: \$145,367
TOTAL: \$209,979

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 part 1-story and part 2-story commercial building of masonry exterior construction with 4,080 square feet of gross building area. The building was constructed in 1958 and was remodeled in 1983. Features of the building include a partial basement, central air conditioning in a portion of the building, office area, and three overhead drive-in doors. The property also has a 4,800 square foot self-service car wash with nine bays that was built in 1993. The property has a 2.78 acre site and is located in Mundelein, 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 \$425,000 as of January 1, 2019. The appraisal was prepared by Andrew Richter, MAI, a certified general real estate appraiser, for ad valorem tax purposes. The appraiser inspected the property on January 22, 2020 and determined the property to be in average condition with no deferred

maintenance. The appraiser stated the property is occupied by an auto sales business and by an upholstery business. The appraisal includes a discussion of the characteristics of Mundelein.

The appraiser determined the highest and best use of the subject as vacant would be to add it to a neighboring lot to meet a minimum lot width of 100 feet. The appraiser determined the highest and best use of the subject as improved is its present use as an auto sales business.

Under the cost approach, the appraiser selected five comparable land sales located in Grayslake, Round Lake, Round Lake Beach, and Volo. These comparables have sites ranging in size from 65,394 to 210,375 square feet of land area and sold from October 2017 to March 2019 for prices ranging from \$250,000 to \$1,626,340 or from \$1.19 to \$10.66 per square foot of land area. The appraiser made qualitative adjustments to these comparables for differences from the subject to arrive at a site value of \$195,000 or \$1.60 per square foot of land area.

The appraiser next calculated a reproduction cost new for the subject building of \$532,937 and a reproduction cost for the car wash of \$447,284 using cost estimates published by the Marshall Valuation Service. The appraiser also reported paving and site improvements to be valued at \$225,000. The appraiser estimated physical depreciation for the building of 80% based on an economic life of 50 years, an actual age of 61 years, and an effective age of 40 years. The appraiser estimated physical depreciation for the car wash of 72% based on an economic life of 25 years, an actual age of 26 years, and an effective age of 18 years. The appraiser then computed a weighted average physical depreciation of 76% for both improvements. The appraiser also estimated 5% external obsolescence due to a lack of sales of small auto dealerships in Lake County and self-serve car washes in the past two years. Based on the calculations, the appraiser estimated total depreciation to the improvements of 81% or \$977,000, resulting in a depreciated total value of \$228,000.

The appraiser next added the depreciated value of the improvements to the estimated site value to conclude an indicated value for the subject under the cost approach of \$425,000 rounded.

Under the sales comparison approach, the appraiser selected five comparable sales located in Prairie Grove, Cary, Wadsworth, Round Lake Beach, and Island Lake. The parcels range in size from 12,584 to 61,855 square feet of land area and are improved with 1-story auto service buildings ranging in size from 2,160 to 6,520 square feet of gross building area. Each comparable has a concrete slab foundation and from 2 to 6 overhead or drive-in doors. The comparables sold from April 2017 to November 2018 for prices ranging from \$147,000 to \$653,400 or from \$33.33 to \$100.21 per square foot of gross building area, including land. The appraiser noted that comparables #2 and #4 included the personal property in their sale prices, so the appraiser estimated the prices for the real estate based on information obtained from the realtors. The appraiser made qualitative adjustments to the comparables for differences from the subject to arrive at an indicated value for the subject of \$325,000 without the car wash. After factoring in the depreciated reproduction cost of the car wash of \$105,000 rounded, the appraiser concluded a value of \$430,000 for the subject, including the car wash, under the sales comparison approach.

The appraiser did not develop the income capitalization approach. The appraiser gave the most weight to the cost approach given the lack of recent sales of similar car wash properties. Based on the foregoing, the appraiser concluded a value of \$425,000 as of January 1, 2019.

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 \$209,979. The subject's assessment reflects a market value of \$631,516 or \$154.78 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 direct response to the appellant's evidence, the board of review submitted a brief contending the appellant's appraisal states a value conclusion as of January 1, 2019 rather than as of the assessment date. With regard to the sales presented in the appraisal, the board of review contended the Mundelein market is superior, not inferior as stated by the appraiser, to the Grayslake and Round Lake markets and is similar to the Volo market. The board of review submitted information on four land sales located in Mundelein, Vernon Hills, and Grayslake. The industrial or commercial parcels range in size from 60,984 to 346,302 square feet of land area and sold from August 2018 to September 2020 for prices ranging from \$300,000 to \$1,250,000 or from \$2.02 to \$9.76 per square foot of land area. With regard to depreciation, the board of review asserted the appraiser's calculation of depreciation was high given the highest and best use as improved is to continue its present use as an auto sales business. The board of review further critiqued the cost approach in the appellant's appraisal.

In support of its contention of the correct assessment, the board of review submitted information on four comparable sales located in Mundelein, Fox Lake, Round Lake Beach, and Waukegan. The parcels range in size from 20,473 to 54,886 square feet of land area and are improved with commercial buildings ranging in size from 4,480 to 6,257 square feet of gross building area. The comparables are owner-user retail centers with a retail restaurant at comparable #1, an auto repair business at comparable #2, and retail car wash businesses at comparables #3 and #4. The comparables sold from August 2015 to June 2018 for prices ranging from \$480,000 to \$870,000 or from \$89.87 to \$167.41 per square foot of gross building area, including land.

The board of review further contended the parties reached an agreement for 2021 tax year, and presented email correspondence, describing an offer by the appellant for the 2019 and 2020 tax years for a reduced assessment of \$210,000 and a counteroffer by the board of review for a reduced assessment of \$215,000 for the 2019, 2020, and 2021 tax years. The board of review presented a decision of the Board in Case No. 19-04801.001-C-2 for the 2019 tax year, in which the Board lowered the subject's assessment to \$215,000 based on the agreement of the parties. The board of review also presented a Compromise Agreement, Agreed Judgment Order, and Motion For Entry of Agreed Judgment Order for the 2020 tax year objection filed with the Circuit Court of the Nineteenth Judicial Circuit, Lake County, Illinois in Case No. 21-TX-9, pursuant to which the parties agreed to an assessment of \$215,000 for the 2020 tax year.

Based on this evidence, the board of review requested an increase in the subject's assessment to \$215,000, which would reflect a market value of \$646,617 or \$158.48 per square foot of gross building area, including land.

Conclusion of Law

As an initial matter, the Board finds the parties have not agreed to an assessment for the 2021 tax year as contended by the board of review. Although the board of review presented evidence of agreements for the 2019 and 2020 tax years, the Board finds the correspondence presented by the board of review demonstrates that an offer was made for the 2021, but there is no evidence of acceptance of this offer by the appellant in this record.

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 appellant presented an appraisal and the board of review presented four comparable sales and four land sales for the Board's consideration. The Board gives less weight to the value conclusion presented in the appraisal, which is based on the cost approach and opines a value 24 months prior to the lien date at issue. With regard to site value, the board of review questioned the appraiser's adjustments for location, which the Board finds are not supported on this record as the appraiser did not describe the characteristics of other communities near the subject and how they compare to the subject. The Board further finds the appraiser concluded a site value that is below the five land sales presented based on the unsupported adjustments.

With regard to the improvements, the board of review challenged the depreciation calculated by the appraiser as unreasonably high given the highest and best use is the current use of the subject. The appraiser also added 5% for external obsolescence. The Board finds the appraiser's computation of depreciation is inconsistent with the appraiser's determination of the highest and best use of the subject as improved as set forth in this report and raises questions of the credibility of the final conclusion.

Therefore, for these reasons, the Board finds the appraisal states a less credible and/or reliable 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 and four land sales for the Board's consideration. The Board gave less weight to the land sales as the subject is improved with a commercial building and car wash and is not vacant land. The Board gave less weight to appraisal sales #2 and #4, which sold together with personal property; the board of review's comparable #1, which is a dissimilar restaurant building; and the board of review's comparables #3 and #4, which are retail car wash buildings compared to the subject self-service car wash. The Board also gave less weight to appraisal sale #3 and the board of review's comparable #2, which have substantially larger buildings than the subject.

The Board finds the best evidence of market value to be appraisal sales #1 and #5, which have varying degrees of similarity to the subject and each lack a self-serve car wash that is a feature of the subject, suggesting upward adjustments to the best comparables would be needed to make them more equivalent to the subject. These two most similar comparables sold for prices of \$265,000 and \$350,000 or for \$66.75 and \$93.28 per square foot of gross building area, including land. The subject's assessment reflects a market value of \$631,516 or \$154.78 per square foot of gross building area, including land, which is above the best comparable sales in the record, but appears to be justified given these comparables' significantly smaller site sizes than the subject, their concrete slab foundations compared to the subject's partial basement, their 1-story design when compared to the subject's part 1-story and part 2-story design, and their lack of a self-service car wash that is a feature of the subject. Based on this record, the Board finds that contrary to the respective requests of the appellant and the board of review, neither a reduction nor an increase in the subject's assessment is 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:

February 20, 2024



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

State of Illinois
Property Tax Appeal Board
William G. Stratton Building, Room 402
401 South Spring Street
Springfield, IL 62706-4001

APPELLANT

James Best, by attorney:
Ronald Kingsley
Lake County Real Estate Tax Appeal, LLC
40 Landover Parkway
Suite 3
Hawthorn Woods, IL 60047

COUNTY

Lake County Board of Review
Lake County Courthouse
18 North County Street, 7th Floor
Waukegan, IL 60085