



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

APPELLANT: Ronald Stanczak
DOCKET NO.: 21-02202.001-C-1 through 21-02202.002-C-1
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are Ronald Stanczak, the appellant, by attorney Andrew J. Rukavina, of The Tax Appeal Company in Mundelein; 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:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
21-02202.001-C-1	12-05-301-003	58,880	63,928	\$122,808
21-02202.002-C-1	12-05-301-041	8,591	0	\$8,591

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 two parcels¹ improved with a 1-story dental office building of Dryvit exterior construction with 2,520 square feet of building area.² The building was constructed in 1959, has an effective age of 1979, and includes an addition constructed in 1995. Features of the building include a partial basement with finished area and central air

¹ Although the appeal petition identified only parcel 12-05-301-003, the appellant's appraisal values both of the subject's parcels and the board of review submitted property record cards for both of the subject's parcels and included both parcels in its analysis of comparables. Thus, the Board will consider this appeal as including both of the subject's parcels.

² The parties differ regarding the subject's building size. The Board finds the best evidence of building size is found in the subject's property record card presented by the board of review. The appraiser calculated a building size of 2,512 square feet of building area but inconsistently described a building size of 2,517 square feet of building area in the narrative of the appraisal report. However, the Board finds this difference of 3 or 8 square feet of building area between the parties is minimal.

conditioning. The property has a combined approximately 34,515 square foot site and is located in North Chicago, Shields 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 \$250,000 as of May 18, 2021. The appraisal was prepared by James W. Leech, a certified general real estate appraiser, for the appellant's evaluation purposes.

Under the sales comparison approach, the appraiser selected five comparable sales located in Waukegan, Grayslake, Zion, and Beach Park. The parcels range in size from 10,475 to 27,103 square feet of land area and are improved with 1-story office or commercial buildings ranging in size from 1,768 to 3,450 square feet of building area. The buildings range in age from 26 to 48 years old. The comparables sold from January 2018 to April 2021 for prices ranging from \$168,000 to \$300,000 or from \$75.76 to \$111.60 per square foot of building area, including land. The appraiser made adjustments to these comparables for differences from the subject, such as location, land to building ratio, and quality of construction, to arrive at adjusted sale prices ranging from \$90.91 to \$106.02 per square foot of living area, including land. Based on the foregoing, the appraiser concluded a value for the market under the sales comparison approach of \$252,000 (rounded), or \$100 per square foot of building area, including land.

Under the income capitalization approach, the appraiser selected five rental comparables located in Waukegan and Gurnee. The comparables range in size from 2,744 to 3,400 square feet of building area. Three comparable have rents ranging from \$15.00 to \$23.03 per square foot of building area on a modified gross basis and two comparables have rents of \$12.18 and \$15.32 per square foot of building area on a triple net basis. The appraiser concluded rental comparable #1 was the most similar to the subject and computed a gross rental income of \$50,340 or \$12.50 per square foot of building area. The appraiser subtracted 10% vacancy and collection losses of \$5,000 to arrive at effective gross income of \$45,400. The appraiser computed expenses of \$25,000, including real estate taxes, insurance, CAM, utilities, management fees, reserves, and miscellaneous expenses, to arrive at net operating income of \$20,400. The appraiser next examined the band of investment and market extraction methods to calculate a capitalization rate of 8.25%. Based on the foregoing, the appraiser concluded a value for the subject under the income capitalization approach of \$248,000 (rounded).

In reconciling the two approaches, the appraiser gave the most weight to the sales comparison approach, with secondary weight given to the income capitalization approach. The appraiser did not develop the cost approach given the subject's age and few land sales in the area. In conclusion, the appraiser opined a value of \$250,000 for the subject as of May 18, 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" for parcel 12-05-301-003. The board of review also submitted the property record cards for both parcels disclosing the combined total assessment for the subject of \$131,399. The subject's combined total assessment reflects a market value of \$395,185 or \$156.82 per square foot of 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 six comparable sales located in Barrington, Libertyville, Lake Bluff, Round Lake, Highland Park, and North Barrington. The parcels range in size from 6,098 to 56,628 square feet of land area and are improved with medical or general office buildings ranging in size from 2,400 to 6,500 square feet of building area. The comparables sold from September 2019 to March 2022 for prices ranging from \$375,000 to \$2,140,320 or from \$126.92 to \$345.53 per square foot of building area, including land.

The board of review also submitted a brief contending that the subject is located near the Great Lakes Naval Base and its housing units and has approximately 30-car parking lot. The board of review argued the appellant's appraisal is deficient in numerous respects, including the following: the appellant is the only intended user of the appraisal report; the appraisal opines a value as of May 18, 2021 rather than the assessment date; adjustments to the comparables under the sales comparison approach appear to be low; the appraisal failed to identify a 2019 sale of a partial interest in the subject even though this sale occurred outside a three-year window; and none of the comparable sales are medical office buildings.

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 six comparable sales in support of their respective positions before the Board. The Board gives less weight to the value conclusion contained in the appraisal, which does not state an opinion of value as of the assessment date and is not intended for ad valorem tax purposes. Consequently, in developing the income capitalization approach, the appraiser included real estate taxes in the expenses, which is not appropriate for a real estate tax appeal. Based on the foregoing, the Board find the appraisal states a less credible and/or reliable opinion of value and the Board shall instead consider the raw sales data presented in the appraisal and by the board of review.

The record contains a total of eleven comparable sales for the Board's consideration. The Board gives less weight to the appraisal comparables #3 and #4 and the board of review's comparable #3, which sold less proximate in time to the assessment date than the other comparables in this record. The Board gives less weight to the appraisal comparables #1 and #2 and the board of review's comparables #4, #5, and #6, due to substantial differences from the subject in building size.

The Board finds the best evidence of market value to be the appraisal comparable #5 and the board of review's comparables #1 and #2, which sold more proximate in time to the assessment date and are more similar to the subject in building size. These most similar comparables sold for prices ranging from \$220,000 to \$850,000 or from \$75.76 to \$345.53 per square foot of living area, including land. The subject's assessment reflects a market value of \$395,185 or \$156.82 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.



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: September 19, 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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