



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

APPELLANT: TGI Friday's, Inc
DOCKET NO.: 13-28998.001-C-1
PARCEL NO.: 07-07-100-027-0000

The parties of record before the Property Tax Appeal Board are TGI Friday's, Inc, the appellant(s), by attorney Ellen G. Berkshire, of Verros, Lafakis & Berkshire, P.C. in Chicago; and the Cook County Board of Review.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds **A Reduction** in the assessment of the property as established by the **Cook** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$164,311
IMPR.: \$140,689
TOTAL: \$305,000

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Cook County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2013 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 77,323 square foot parcel of land improved with an approximately 17 year old, one-story, commercial, restaurant building containing 6,600 square feet of building area. The property is located in Schaumburg Township, Cook County and is a class 5 property under the Cook County Real Property Assessment Classification Ordinance.

The appellant's appeal is based on overvaluation. In support of the market value argument, the appellant submitted an appraisal undertaken by Joseph Ryan of LaSalle Appraisal Group, Inc. Ryan was the appellant's only witness. The parties stipulated to Ryan's qualifications as an expert witness and he was admitted as an expert witness in property valuation.

The appraisal, marked as *Appellant's Exhibit #1*, indicated the subject has an estimated market value of \$1,220,000 as of January 1, 2013. The appraisal report utilized the sales comparison and

income approaches to value to estimate the market value for the subject property. Ryan described the subject property and testified that the highest and best use as use is the continued use of the property as a restaurant.

Under the sales comparison approach, Ryan testified that he looked for sold properties similar to the subject in location, size, age, land to building ratio; and restaurant type. He testified that he relied on five sales in estimating the subject's value. He testified to the following details of the five sales: ranged in year built from 1959 to 2008; ranged in size from 2,480 to 11,808 square feet of building area; sold between June 2010 and October 2012; and sold for prices ranging from \$80.65 to \$182.08 per square foot of building area. He testified he compared and contrasted these properties to the subject and made adjustments to these properties for size, age, land to building ration, basement, and location.

Ryan further testified that sale #2 sold with all the furniture, fixtures, and equipment (FF&E) included in the sale price. He also testified that sale #5 was owned by a financial institution at the time of sale, but the property was marketed for sale on the open market and the bank did not have to sell the property; therefore, he opined that the sale was an arm's length transaction.

Ryan testified that he did exclude properties from analysis in the appraisal. He testified he excluded leased fee sale and sales that were not listed on the market. Ryan opined that he found a sufficient number of similar comparables to make a reliable determination of value. Ryan testified that after adjustments to the comparables, he estimated a value at \$185.00 per square foot of building area for a total estimated value under the sales comparison approach of \$1,220,000, rounded.

Under the income approach, Ryan testified he analyzed four asking rental comparables to estimate a gross rent of \$22.50 per square foot of building area. This resulted in a potential gross income of (PGI) \$148,500. Vacancy and collection loss was estimated at 12% of PGI for an effective gross income (EGI) of \$130,680. Ryan testified he estimated expenses at \$4,158 for an estimated net operating income (NOI) of \$126,522.

In determining the appropriate capitalization (CAP) rate, Ryan testified he utilized market surveys and the band of investment method to estimate a CAP rate of 10%. He testified he loaded this cap rate based on taxes by .76% and applied this 10.76% CAP rate to the NOI to estimate the market value for the subject under this approach at \$1,175,000, rounded.

In reconciling the two approaches to value, Ryan testified he gave most weight to the sales comparison approach and found that the income approach supported that value to arrive at a final estimate of value for the subject as of January 1, 2013 of \$1,220,000.

Under cross-examination by the board of review, Ryan acknowledged that there were size differences with the building or the land between the subject and the comparables. He also acknowledged that comparable #4 was built in 1959 and that the subject is 19 years old and that comparable #5 was located 20 miles away from the subject. In response to follow-up questions, Ryan testified he was aware of the FF&E in comparable #2's sale because he spoke to a party involved in the transaction. He testified he appraised this comparable before and spoke to the owner. He testified that for each sale he spoke to a party involved in the sale.

As to the income approach, Ryan testified that he used a 10% CAP rate and opined that this CAP rate was warranted.

On redirect, Ryan testified that he made adjustments for the differences between the subject and the sales comparables. He testified that he factored in these adjustments when he estimated a value for the subject under the sales comparison approach.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment was \$379,497; yielding a market value of \$1,517,988 or \$230.00 per square foot of building area, including land, using the Cook County Real Property Classification Ordinance for Class 5 property of 25%.

In support of the assessment the board of review submitted a total of five sales comparables. The board of review's memoranda discloses that the data is not intended to be an appraisal or estimate of value and should not be construed as such. In addition, it discloses that the information is assumed factual, accurate, and reliable, but has not been verified and does not warrant its accuracy. The board of review rested on the evidence submitted.

On cross-examination, the board of review's representative, John Giokaris testified he did not choose these comparables; it was the assessor's office that submitted the comparables and no adjustments were made to these comparable.

Conclusion of Law

When overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331Ill.App.3d 1038 (3rd Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2nd Dist. 2000). Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. 86 Ill.Admin.Code 1910.65(c). Having considered the evidence presented, the Board concludes that the appellant has met this burden and that a reduction is warranted.

In determining the fair market value of the subject property, the Board examined the appellant's appraisal report and testimony and the board of review's evidence.

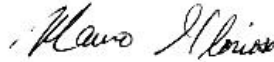
The Board finds the preparer of the board of review's evidence was not present or called to testify about his/her qualifications, identify his/her work, testify about the contents of the evidence, or be cross-examined by the appellant and the Property Tax Appeal Board. Moreover, the board of review's witness testified that he did not choose the comparables. Therefore, the Property Tax Appeal Board gives this evidence from the board of review no weight.

In determining the fair market value of the subject property, the Board finds the best evidence to be the appellant's appraisal and testimony. The appellant's appraiser utilized the sales comparison and income approaches to value in determining the subject's market value. The Board finds the

appraisal and testimony to be persuasive for the appraiser: has experience in appraising; personally inspected the subject property and reviewed the property's history; and used similar properties in the sales comparison approach while providing sufficient detail regarding each sale as well as adjustments that were necessary.

Therefore, the Board finds the subject had a market value of \$1,220,000 for the 2013 assessment year. Since the market value of this parcel has been established, the Cook County Real Property Classification Ordinance for Class 5 property of 25% will apply. Therefore, the Board finds that a reduction 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(b) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(b)) 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



Acting 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:

December 19, 2017



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

TGI Friday's, Inc, by attorney:
Ellen G. Berkshire
Verros, Lafakis & Berkshire, P.C.
33 North LaSalle Street
Suite 2500
Chicago, IL 60602

COUNTY

Cook County Board of Review
County Building, Room 601
118 North Clark Street
Chicago, IL 60602