



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

APPELLANT: Christos Karageorgis
DOCKET NO.: 18-05150.001-C-2
PARCEL NO.: 06-22-104-047

The parties of record before the Property Tax Appeal Board are Christos Karageorgis, the appellant, by attorney George N. Reveliotis, of Reveliotis Law, P.C. in Park Ridge, and the DuPage 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 **DuPage** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$362,170
IMPR.: \$ 75,460
TOTAL: \$437,630

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the DuPage County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2018 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 one-story, commercial building of masonry construction that contains approximately 7,522 square feet of building area constructed in 1986. The building is currently utilized as a full-service bar and pizzeria. Features include a full, unfinished basement, vinyl-tiled flooring, a dropped acoustical tile ceiling, fluorescent lighting fixtures, two washrooms consisting of a sink and a toilet, pitched roof with asphalt shingle covering and an asphalt parking lot. The property has a 64,904-square foot site resulting in a land-to-building ratio of 8.63:1. The property is located in Oakbrook Terrace, York Township, DuPage County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal prepared by Robert S. Kang, a Certified General Real Estate Appraiser, estimating the subject property had a market value of \$1,015,000 as of January 1, 2016.

Kang determined the highest and best use of the property as improved was continued use as a full-service bar and pizzeria.

In estimating the market value of the subject property, Kang developed the sales comparison approach to value utilizing five comparable sales located in Oakbrook Terrace, Villa Park, Lisle, Glendale Heights and Naperville. These properties were improved with one-story commercial buildings of masonry exterior construction with onsite parking that operated as full-service restaurants. The buildings ranged in size from 4,995 to 10,405 square feet of building area and were constructed from 1958 to approximately 1992. The comparables had land-to-building ratios ranging from 5.09:1 to 12.67:1. The properties sold from July 2014 to September 2015 for prices ranging from \$500,000 to \$1,100,000 or from \$95.13 to \$140.19 per square foot of building area, including land. The appraiser then made adjustments to the comparables for building size and land-to-building ratios as set forth on page 55, however, the starting point of unadjusted sales prices per square foot for four of the five comparables were erroneous based on data set forth on page 52 of the appraisal. The appraiser also considered making adjustments for other factors such as location, quality, age, zoning and economic attributes but decided that no adjustments were needed for these factors. After applying the adjustments, the appraiser concluded that the comparable sales had adjusted sale prices ranging from \$85.83 to \$136.08 per square foot of building area, land included. The quantitative grid adjustment on page 55 of the report had an error with respect to the reported price per square foot of building area of comparable #2 which was used to establish the low end of the range. The appraiser estimated and the subject property had an indicated value under the sales comparison approach of \$135.00 per square foot of building area, including land, or a final value of \$1,015,000, rounded. Based on this evidence, the appellant requested the subject's assessment be reduced to \$338,300 to reflect the appraised value at the statutory level of assessment of 33.33%.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$449,660. The subject's assessment reflects a market value of \$1,351,142 or \$179.63 per square foot of building area, land included, when using the 2018 three-year average median level of assessment for DuPage County of 33.28% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment, the board of review submitted a "valuation analysis" prepared by Fred Beno, CIAO-M on behalf of York Township Assessor's Office for the purpose of estimating the market value of the fee simple interest of the subject property. In his valuation analysis, Beno developed the cost approach, the sales approach and the income approach to value.

With regard to the estimated land value for the subject, Beno submitted information regarding six commercial land sales that were located in Villa Park, Oakbrook Terrace and Wheaton. Two of the comparables were vacant land sales, one was a parking area from a car lot and three were improved properties that were razed after the sale for new construction. The comparables ranged in size from 37,380 to 75,015 square feet of land area. The comparables had sale dates ranging from March 2013 to November 2015 for prices ranging from \$1,000,000 to \$2,300,000 or from \$19.58 to \$31.24 per square foot of land area, including improvements if associated with the

sale. Based on this land analysis, Beno opined that the subject's lot would have a market value of \$20.00 per square foot of land area or a total market value of \$1,298,080.

With respect to the cost approach, Beno estimated the replacement cost new to be \$1,130,638 and Beno estimated the improvements had an effective age of 30 years old with an economic life of 35 years resulting in 85% depreciation. Deducting depreciation resulted in depreciated costs of \$169,596. Adding the depreciated cost and the land value resulted in the subject property's market value of \$1,467,676 under the cost approach.

Beno next analyzed six improved property sales, two of which were located in Oakbrook Terrace, two in Villa Park, one in St. Charles, and one in Addison. The board of review's comparable #4 was the same property as the appellant's appraiser's comparable #2. The properties are each improved with one-story buildings of masonry exterior construction ranging in size from 4,158 to 8,451 square feet of building area and were constructed from 1958 to 2002. Comparables #1, #4, #5, and #6 were used as restaurants, while comparables #2 and #3 were vacant at the time of sale. The comparable sales had lots ranging in size from 22,605 to 75,359 square feet of land area and had land to building ratios ranging from 5.4365:1 to 11.0701:1. The comparables sold from February 2014 to July 2016 for prices ranging from \$900,000 to \$1,525,000 or from \$140.19 to \$314.36 per square foot of building area, including land. Beno determined that comparables #1, #2, #3, #5, and #6 would require negative adjustments while comparable #4 would need a positive adjustment. Beno then concluded that the subject had a market value of \$1,316,350 or \$175.00 per square foot of building area, including land, under the sales comparison approach to value.

Beno next developed the income approach to value by first estimating market rent for the subject property to be \$18.50 per square foot of building area, net, using data from nine rental comparables located in the "nearby competing areas" and arrived at a potential gross income of \$139,157. Beno next deducted 10% of potential gross income or \$13,916 for vacancy and collection loss and estimated the effective gross income of \$125,241. Beno then subtracted estimated expenses for management fees, accounting, reserves for replacements and insurance totaling \$14,270 and arrived at a net operating income of \$110,971. To this amount, Beno applied a capitalization rate of 8.50% which he estimated utilizing national publications and arrived at the subject's market value of \$1,305,545 under the income approach to value.

In reconciling the three approaches to value, Beno gave "slightly more" consideration to the sales comparison approach to value due to the number of sales of similar buildings in the subject's market area and opined that the subject has a market value of \$1,315,000 or \$174.82 per square foot of building area, land included, as of January 1, 2016.

In addition, the board of review submitted a memorandum arguing that the parties stipulated to the subject's assessment for the 2015 tax year. The board of review also contended that the appraisal's estimate of \$1,015,000 is lower than the board of review's estimated land value for the subject of \$1,298,000; appraiser's comparable #4 had been vacant for four years and was bank-owned real estate (REO); comparable #5 is a Chucky Cheese restaurant with low end build-out and a large amount of functional obsolescence; comparable #1 is located on a much less traveled street relative to the subject with an average cars-per-day count of 14,500 versus the subject property's location of cars-per-day count of 50,000; comparable #1 was sold for Deed in

Lieu of Foreclosure without exposure to the open market; and the appraiser erred with regard to the price per square foot of comparable #2 in the Quantitative Adjustment Grid.

Based on this evidence and arguments, the board of review requested a 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 met this burden of proof and a reduction in the subject's assessment is warranted.

The Board finds the best evidence of market value to be the “valuation analysis” prepared by Fred Beno, CIAO-M on behalf of York Township Assessor’s Office who opined that the subject property had a market value of \$1,315,000 or \$174.82 per square foot of building area, land included, as of January 1, 2016. Beno developed all three approaches to value, unlike the appellant’s appraiser who only developed the sales comparison approach. Furthermore, Beno’s sales comparison approach utilized comparable sales that were more similar to the subject in terms of location, use, design, age, size and features. The appellant’s appraiser’s sales included comparable #1 whose location is much less exposed to traffic compared to the subject property and was sold for Deed in Lieu of Foreclosure without exposure to open market; comparable #4 was a Bank (REO) property; and comparable #5 has a low end build out with a large amount of functional obsolescence. Furthermore, the appellant's appraisal report is not credible as on page 55 with respect to the unadjusted sales prices of the comparables, the data presented consists of erroneous prices for four of the five comparables in the report; thus, the entire adjustment process is further flawed since the starting point was flawed on page 55. In contrast, the Board finds that Beno’s analysis is well-reasoned, logical, and persuasive. The subject's assessment reflects a market value of \$1,351,142 or \$179.63 per square foot of building area, land included, which is above the valuation amount of \$1,315,000 or \$174.82 per square foot of building area, land included, submitted on behalf of board of review.

Based on the evidence in this record, the Board finds that the subject is overvalued as reflected by its assessment and a reduction 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:

May 18, 2021



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

Christos Karageorgis, by attorney:
George N. Reveliotis
Reveliotis Law, P.C.
1030 Higgins Road
Suite 101
Park Ridge, IL 60068

COUNTY

DuPage County Board of Review
DuPage Center
421 N. County Farm Road
Wheaton, IL 60187