



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

APPELLANT: Dine Brands Global-IHOP
DOCKET NO.: 21-07224.001-C-1
PARCEL NO.: 03-19-100-016

The parties of record before the Property Tax Appeal Board are Dine Brands Global-IHOP, the appellant, by attorney Max E. Callahan, of Siegel & Callahan, P.C. in Chicago; 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: \$199,980
IMPR.: \$98,701
TOTAL: \$298,681

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 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 one-story commercial building used as a restaurant. The building has masonry exterior construction and 4,272 square feet of gross building area. The building was constructed in 2002 and is approximately 19 years old. Features of the property include a concrete slab foundation, rubber composition roof material, ceramic and concrete flooring, average quality restroom elements, forced air heating and central air conditioning and an asphalt paved parking surface with a 47 vehicle capacity. The property has an approximately 39,919 square foot site, a land-to-building ratio of 9.34:1 and is located in Addison, Addison Township, DuPage County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted a narrative appraisal estimating the subject property had a market value of

\$770,000 as of January 1, 2021. The appraisal was prepared by Gregory B. Nold, a Certified General Real Estate Appraiser with an MAI designation from the Appraisal Institute.

The purpose of the appraisal was to estimate the market value of the fee simple estate as of January 1, 2021, with the intended use to provide an estimate of market value to assist the client in an ad valorem tax appeal. The appraiser determined the highest and best use of the property to be its present use as an improved commercial restaurant property. In estimating the market value of the subject property, the appraiser developed the income and sales comparison approaches to value.

For the sales comparison approach, the appraiser selected five comparable sales located in Addison or Glendale Heights. The buildings were constructed from 1958 to 1999 and range in size from 1,720 to 5,746 square feet of gross building area. The properties have sites ranging in size from 16,458 to 50,094 and land-to-building ratios ranging from 5.36:1 to 9.57:1. The comparables are each one-story commercial buildings with a restaurant use. These properties sold from January 2018 to March 2020 for prices ranging from \$375,000 to \$1,200,000 or from \$121.65 to \$218.02 per square foot of gross building area, land included. The appraiser made quantitative adjustments to the comparables for differences from the subject and arrived at adjusted sale prices of the comparables ranging from \$145.98 to \$196.22 per square foot of gross building area, land included and an opinion of market value for the subject, under the comparable sales approach, of \$182.50 per square foot of gross building area, including land, or \$780,000, rounded.

Under the income approach to value the appraiser estimated the subject property had an effective market rent of \$23.50 per square foot of gross building area, including a \$3.50 Common Area Maintenance reimbursement rate, which was based on eight rental comparables. The potential gross income (PGI) was calculated to be \$100,392. Vacancy and collection losses was estimated to be 5% of PGI or \$5,020, which was deducted from PGI to arrive at an effective gross income (EGI) of \$95,372. The appraiser estimated operating expenses to the owner to be 22.9% of EGI or \$21,861, which was deducted from EGI to arrive at a net operating income (NOI) of \$73,511.

In estimating the capitalization rate the appraiser utilized the mortgage-equity technique to arrive at an overall capitalization rate of 7.50%. Next the appraiser multiplied the subject's 2020 property tax rate of 7.5210 by the assessment level of 33.33% to determine a tax load factor of 2.51%. Adding the mortgage-equity rate of 7.50% and the tax factor of 2.51% resulted in a loaded capitalization rate of 10.01%. Dividing the subject's estimated NOI by the loaded capitalization rate resulted in an estimated opinion of value for the subject under the income approach of \$735,000, rounded.

In reconciling the two approaches to value, the appraiser gave primary weight to the sales comparison approach, stating the income approach was afforded significant but secondary emphasis. The reconciled estimate of market value for the subject was determined to be \$770,000 as of January 1, 2021. Based on this evidence the appellant requested the subject's assessment be reduced to \$298,681 which reflects a market value of \$896,133 or \$209.77 per square foot of gross building area, land included when applying 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 \$398,680. The subject's assessment reflects a market value of \$1,192,582 or \$279.16 per square foot of gross building area, land included, when using the 2021 three-year average median level of assessment for DuPage County of 33.43% 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 Addison, Elmhurst and Bensenville. Board of review comparables #1 and #5 are the same properties as the appraisal comparables #2 and #3, respectively. The buildings were constructed from 1958 to 1999 and range in size from 1,720 to 7,380 square feet of gross building area. The properties have sites ranging in size from 16,458 to 43,124 and land-to-building ratios ranging from 5.81:1 to 12.31:1. The comparables are each one-story commercial buildings with a restaurant use. These properties sold from January 2019 to May 2020 for prices ranging from \$375,000 to \$1,950,000 or from \$162.60 to \$556.67 per square foot of gross building area, land included. The Chief Deputy Township Assessor presented a table with qualitative adjustments to the comparables for differences from the subject, with no further explanation. Based on these sales and qualitative analysis, the assessor's office concluded that \$325.00 per square foot of gross building area, land included, to be a "fair and equitable unit value" and opined an "indicated value via market approach" for the subject of \$1,390,000, rounded. Based on this evidence, the board of review requested the subject's assessment be confirmed.

In rebuttal, the appellant argued the board of review's unadjusted comparable sales evidence to be unpersuasive when compared to the appraisal submitted by the appellant which was prepared by a licensed appraiser. The appellant reiterated the request to have the subject's total assessment reduced to \$298,681.

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 appellant submitted an appraisal and the board of review submitted five comparable sales for the Board's consideration where two of the board of review comparable sales were also included in the appellant's appraisal. The Board gives less weight to the board of review's comparable sales and its opinion of the subject's per square foot value which lacks foundational support for its qualitative adjustments.

The Board finds the best evidence of market value to be the appraisal submitted by the appellant. The subject's assessment reflects a market value of \$1,192,582 or \$279.16 per square foot of gross building area, including land, which is above the appraised value. The Board finds the subject property had a market value of \$770,000 as of the assessment date at issue. However, the

appellant requested a total assessment that reflects a market value for the subject of \$896,133¹ or \$209.77 per square foot of building area, land included. Therefore, the Board finds a reduction in the subject's assessment, commensurate with the appellant's request, is warranted.

¹ Section 16-180 of the Property Tax Code reads in: "In all cases where a change in assessed valuation of \$100,000 or more is sought, the board of review shall serve a copy of the petition on all taxing districts as shown on the last available tax bill." (35 ILCS 200/16-180) The appellant's request for relief in this appeal totals \$99,999 and does not comport with the appraisal evidence submitted. The Board finds this is likely to avoid potential intervention by any affected taxing bodies, since the assessment request falls \$1.00 below the \$100,000 threshold. The Board finds this practice to be problematic.

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: January 16, 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

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