



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

APPELLANT: Chick-fil-A Inc.
DOCKET NO.: 23-02054.001-C-1
PARCEL NO.: 15-03-102-002

The parties of record before the Property Tax Appeal Board are Chick-fil-A Inc., the appellant, by attorney Brian P. Liston, of the Law Offices of Liston & Tsantilis, P.C. in Chicago; and the Lake 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 **Lake** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$290,389
IMPR.: \$42,911
TOTAL: \$333,300

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 2023 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 1-story commercial building of masonry exterior construction with 4,820 square feet of building area. The building was constructed in 2013 and is approximately 10 years old. Features include a fast food restaurant floor plan, two restrooms, central air conditioning, and an asphalt paved parking lot. The property has a 59,119 square foot site, has a land to building ratio of 10.40:1, and is located in Vernon Hills, 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 \$1,000,000 as of January 1, 2023. The appraisal was prepared by Stephen J. Burch, a certified general real estate appraiser, and Edward V. Kling, a certified general real estate appraiser, for ad valorem tax purposes.

Under the cost approach, the appraisers selected four land sales with prices from \$3.36 to \$15.50 per square foot to estimate a land value for the subject of \$9.00 per square foot or \$450,000, rounded. The appraisers computed the replacement cost new \$1,249,394 for a Class C, Good Fast Food Restaurant using Marshall & Swift Valuation Service. For depreciation the appraisers examined depreciation under the breakdown and economic age/life methods to estimate depreciation of 55% or \$687,167. The appraisers subtracted depreciation from the replacement cost new and added the site value of \$450,000 and the estimated depreciated value of site improvements of \$112,500 to arrive at a value for the subject of \$1,100,000, rounded, under the cost approach.

Under the sales comparison approach, the appraisers selected four comparable sales of vacant fast food restaurants located in Palatine, Lindenhurst, Gurnee, and Vernon Hills. The parcels range in size from 40,502 to 78,408 square feet of land area and have land to building ratios from 11.00:1 to 17.05:1. The comparables are improved with 1-story commercial buildings ranging in size from 2,375 to 5,700 square feet of building area. The buildings range in age from 18 to 37 years old. The comparables sold from July 2021 to August 2022 for prices ranging from \$400,000 to \$1,360,000 or from \$114.31 to \$282.39 per square foot of building area, including land. The appraisers adjusted the comparables for difference from the subject in location, building size, land to building ratio, and age/condition to arrive at adjusted prices from \$171.46 to \$225.91 per square foot. Based on this analysis, the appraisers concluded a value of \$210.00 per square foot or \$1,000,000, rounded, under the sales comparison approach.

Under the income approach, the appraisers selected four rent comparables located in Buffalo Grove, Waukegan, Libertyville, and Lake Bluff. The comparables range in size from 1,703 to 3,200 square feet of building area and have rents from \$18.00 to \$33.00 per square foot on a net or modified gross basis. The appraisers concluded market rent for the subject of \$30.00 per square foot or potential gross income of \$144,600. The appraisers deducted vacancy and credit loss of 6% or \$8,676 to arrive at effective gross income of \$135,924. The appraisers next deducted estimated expenses of \$24,861 to arrive at net operating income of \$111,063. For the capitalization rate the appraisers examined several methods to calculate a loaded capitalization rate for the subject of 10.85% and computed a value for the subject of \$1,000,000, rounded, under the income approach.

In reconciliation, the appraisers gave most weight to the sales comparison and income approaches, with secondary weight to the cost approach, in estimating the value of the subject of \$1,000,000 as of January 1, 2023.

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 \$391,628. The subject's assessment reflects a market value of

\$1,175,002 or \$243.78 per square foot of building area, land included, when using the statutory level of assessment of 33.33%.¹

In support of its contention of the correct assessment the board of review submitted information on five comparable sales located in North Chicago, Vernon Hills, and Libertyville. The parcels range in size from 15,875 to 73,616 square feet of land area and have land to building ratios from 4.00:1 to 11.00:1. The comparables are improved with 1-story commercial buildings or strip centers ranging in size from 3,500 to 6,758 square feet of building area. The buildings range in age from new construction to 45 years old. The comparables sold from June 2019 to October 2023 for prices ranging from \$940,000 to \$3,700,000 or from \$178.17 to \$1,057.14 per square foot of building area, including land. Comparables #1, #2, and #3 were reported to be leased fee sales.

The board of review submitted a brief contending that the appraisal sales differ from the subject in age, location, and quality. 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. Adm. 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. Adm. 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 appraisal submitted by the appellant. The Board finds the appraiser developed the three approaches to value and selected similar comparables in developing these approaches to value. Moreover, for the sales comparison approach, the appraiser selected fee simple sales of similar properties and made appropriate adjustments to these comparables. The Board gave little weight to the board of review's comparables #1 through #4, three of which were leased fee sales and one of which is new construction. The subject's assessment reflects a market value of \$1,175,002 or \$243.78 per square foot of building area, including land, which is above the appraised value conclusion. The Board finds the subject property had a market value of \$1,000,000 as of the assessment date at issue. Based on this evidence the Board finds a reduction in the subject's assessment commensurate with the appellant's request is justified.

¹ Section 1910.50(c)(1) of the Board's procedural rules provides that in all counties other than Cook, the three-year county wide assessment level as certified by the Department of Revenue will be considered. 86 Ill. Adm. Code § 1910.50(c)(1). As of the development of this Final Administrative Decision, the Department of Revenue has not published figures for tax year 2023.

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 21, 2025



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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