



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

APPELLANT: McDonald's
DOCKET NO.: 06-31426.001-C-1
PARCEL NO.: 15-17-414-055-0000

The parties of record before the Property Tax Appeal Board are McDonald's, the appellant, by attorney Michael R. Davies of the Law Offices of Michael R. Davies, Ltd. in Oak Lawn; and the Cook County Board of Review.

Based on the facts and exhibits presented, 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: \$157,130
IMPR: \$208,521
TOTAL: \$365,651

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 44,703 square foot parcel improved with a one-story masonry constructed commercial building with approximately 6,208 square feet of building area that was constructed in 1989. The building is used as a freestanding McDonald's Restaurant. The building includes a 1,184 square foot McDonald's Playland and a drive-thru window. The subject property has a land to building ratio of approximately 7.2:1. The property is located in Hillside, Proviso Township, Cook County. The subject property is classified as a class 5-17 commercial property and is to be assessed at 38% of market value under the Cook County Real Property Assessment Classification Ordinance.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted an appraisal of the subject property prepared by Audrey Davis and Scott Davis of Urban Real Estate Research, Inc. The appraisers estimated the subject property had a market value of \$860,000 as of January 1, 2005.¹

¹ The photocopy of the appraisal submitted by the appellant had numerous pages of the appraisal missing.

The report stated the use of the appraisal was to estimate the market value of the subject property for ad valorem taxation purposes. The property rights appraised are the rights of fee simple ownership, free and clear of all encumbrances or indebtedness.

The report stated that the three approaches to value were used in deriving an estimate of value for the subject property. Each approach to value arrived at the same value conclusion of \$860,000. A review of the appraisal disclosed that only the sales comparison approach had all the pages included, which were from page 94 through page 112. Due to the fact that this was the only approach to value that had the appraisers' complete analysis this will be the focus of the Board's attention.

The sales comparison approach included six sales located in Franklin Park, Forest Park, Cicero, Berwyn, River Grove and Brookfield. Each comparable was improved with a one or two-story restaurant that ranged in size from approximately 1,400 to 12,000 square feet of building area. Four of the buildings were constructed from 1963 to 1994; the ages of two were not disclosed. The comparables had sites ranging in size from 3,125 to 22,500 square feet of land area resulting in land to building ratios ranging from .625:1 to 16.07:1. The sales occurred from May 2002 to December 2003 for prices ranging from \$205,000 to \$525,000 or from \$34.17 to \$317.86 per square foot of building area, including land. The appraisers compared these sales to the subject for such factors as property rights, financing, sale conditions, market conditions, location, situs, condition/age, building size, parking ratio and detached building. The appraisers considered sales #1, #3 and #6 superior to the subject. Sales #2, #4 and #5 were considered inferior to the subject. Based on these sales the appraisers estimated the subject property had an indicated value under the sales comparison approach of \$138.00 per square foot of building area or \$860,000, rounded, including land.

In the submission the appellant also referenced the fact the subject property was the subject matter of an appeal before the Property Tax Appeal Board the prior tax year (2005) under Docket No. 05-23332.001-C-1 through 05-23332.004-C-1.² In that appeal the Board issued a decision lowering the assessment of the subject property to \$365,651 based on an agreement of the parties. Based on this evidence the appellant requested the subject's assessment for the 2006 tax year be reduced to \$365,651.

The board of review submitted its "Board of Review Notes on Appeal" wherein the final assessment of the subject totaling \$390,336 was disclosed. The subject's assessment reflects a

² In 2006 the four parcels that were involved in the 2005 appeal were consolidated into one parcel and assigned parcel number 15-17-414-055-0000, the subject parcel.

market value of \$1,027,200 or \$165.46 per square foot of building area, including land.

In support of the assessment the board of review submitted a memorandum and sales data on nine sales of restaurants. The memorandum stated that it was not intended to be an appraisal or an estimate of value and should not be construed as such. The comparables ranged in size from 3,080 to 6,371 square feet of building area and appeared to be improved with one-story buildings based on the copies of the photographs in the record. The information provided by the board of review indicated six comparables were constructed from 1975 to 1993; the ages of three were not disclosed. The evidence disclosed that eight of the comparables had sites ranging in size from 26,136 to 62,609 resulting in land to building ratios ranging from 6.61:1 to 13.01:1. The sales occurred from January 2001 to December 2006 for prices ranging from \$475,000 to \$3,236,365 or from \$135.71 to \$604.93 per square foot of building area, including land. The memo stated that the sales were not adjusted for market conditions: time, location, age, size, land to building ratio, parking, zoning and other related factors.

After reviewing the record and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of the appeal. The Board further finds the evidence in the record supports a reduction in the subject's assessment.

The appellant argued overvaluation as the basis of the appeal. When market value is the basis of the appeal the value of the property must be proved by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331 Ill.App.3d 1038 (3rd Dist. 2002). 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.

After reviewing the data provided by the parties, the Board finds the sales used by the appellant's appraisers were adjusted to account for differences from the subject whereas the raw data used by the board of review was unadjusted. Furthermore, the sales price per square foot for the board of review comparables had a wide divergence from \$135.71 to \$604.93 per square foot of building area, including land. This wide range in prices per square foot of building area calls into question whether or not the sales for some of the comparables included more than the real estate. Based on this review the Board finds the analysis of the sales contained in the appellant's appraisal appears to be more credible.

The record further disclosed that the subject property was the subject of an assessment appeal before the Property Tax Appeal Board the prior tax year. In that appeal the Board issued a

decision lowering the assessment of the subject property to \$365,651 based on an agreement of the parties. The assessment agreed to by the parties reflected a market value of approximately \$962,240 or \$155.00 per square foot of building area, including land. The Board finds this value conclusion is also supported by the best sales in this record. The Board further takes notice that the 2005 tax year and the 2006 tax year are within the same general assessment period for Proviso Township. 86 Ill.Admin.Code 1910.90(i). Based on this record the Board finds a reduction in the subject's assessment commensurate with the prior tax year's assessment as established by decision of the Property Tax Appeal Board is appropriate.

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.

Donald R. Cuit

Chairman

K. L. Fern

Member

Frank A. Huff

Member

J. R.

Member

Member

DISSENTING: _____

C E R T I F I C A T I O N

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: March 23, 2012

Allen Castrovillari

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 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 the subsequent year 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.

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.