FINAL ADMINISTRATIVE DECISION
ILLINOIS PROPERTY TAX APPEAL BOARD

APPELLANT: Evergreen Place Decatur (Heritage)
DOCKET NO.: 13-00306.001-C-3
PARCEL NO.: 09-13-29-276-020

The parties of record before the Property Tax Appeal Board are Evergreen Place Decatur (Heritage), the appellant, by Robert W. McQuellon III, Attorney at Law in Peoria; the Macon County Board of Review; and Mt. Zion C.U.S.D. #3, intervenor, by attorney James L. Huff of Guin Mundorf, LLC, in Collinsville.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds ***No Change*** in the assessment of the property as established by the **Macon** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND:	$27,269
IMPR.:	$1,936,355
TOTAL:	$1,963,624

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 93-unit supportive living facility. The subject has a frame exterior construction with masonry veneer exterior walls and consists of 36 studio units and 57 one-bedroom units that was built in 2011. Features of the 75,130 square feet of building area include a slab foundation, common areas, lounge/activity room, dining rooms, kitchen, beauty parlor, store, nursing stations, conference room, restrooms, laundry rooms and offices. The subject also contains approximately 50,394 square feet of concrete paved parking space area. The subject is situated on an irregular lot containing approximately 2.66 acres of land area and is located in Decatur, Long Creek Township, Macon County.

Applicable Statutory Provision & Regulation

There is no dispute on this record between the parties that the subject property is to be assessed in accordance with Section 10-390 of the Property Tax Code (hereinafter "Code") concerning "Valuation of Supportive Living Facilities." (35 ILCS 200/10-390) The provision states:

> (a) Notwithstanding Section 1-55, to determine the fair cash value of any supportive living facility established under Section 5-5.01a of the Illinois Public

> Aid Code, in assessing the facility, a local assessment officer must use the income capitalization approach.
>
> (b) When assessing supportive living facilities, the local assessment officer may not consider:
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>> (1) payments from Medicaid for services provided to residents of supportive living facilities when such payments constitute income that is attributable to services and not attributable to the real estate; or
>>
>> (2) payments by a resident of a supportive living facility for services that would be paid by Medicaid if the resident were Medicaid-eligible, when such payments constitute income that is attributable to services and not attributable to real estate.
>
> (Source: P.A. 94-1086, eff. 1-19-07.) [1]

The Public Aid Code (305 ILCS 5/5-5.01a) mandates the Department, now known as the Department of Healthcare and Family Services (HFS), to establish and provide oversight for a program of supportive living facilities which seek to promote independence, dignity, respect and well-being for residents in the most cost effective manner. The facilities are regulated in creation and operation, including, but not limited to, 89 Ill.Admin.Code §146.200 through 146.300 and §146.600 through 146.710. As defined by rule (89 Ill.Admin.Code §146,200(b)), a supportive living facility is:

> . . . a residential setting in Illinois that provides or coordinates flexible personal care services, 24 hour supervision and assistance (scheduled and unscheduled), activities, and health related services with a service program and physical environment designed to minimize the need for residents to move within or from the setting to accommodate changing needs and preferences; has an organizational mission, service programs and a physical environment designed to maximize residents' dignity, autonomy, privacy and independence; and encourages family and community involvement.

The "Illinois Supportive Living Program" is described, in part, as an alternative to nursing home care for low-income older persons and persons with disabilities under Medicaid. Residents can be both Medicaid and non-Medicaid eligible persons. On its website, HFS states, in pertinent part, that it:

> . . . has obtained a 'waiver' to allow payment for services that are not routinely covered by Medicaid. These include personal care, homemaking, laundry, medication supervision, social activities, recreation and 24-hour staff to meet residents' scheduled and unscheduled needs. (www.slfillinois.com)

[1] All parties stipulated that Section 10-390 (35 ILCS 200/10-390) governs the methodology of valuation of the subject property, which is the income capitalization approach to value.

Findings of Fact

The appellant, through counsel, appeared before the Property Tax Appeal Board contending overvaluation as the basis of the appeal. In support of this argument the appellant submitted a Restricted Use Appraisal report prepared by Keith Honegger, a State Certified General Real Estate Appraiser. Honegger estimated the subject property had a market value of $2,863,056 as of January 1, 2013.

Josh Tanner, Supervisor of Assessments for Macon County and Clerk for the board of review was first called as a witness. Tanner testified that the subject was first assessed in 2012 using the cost approach to value and then reassessed in 2013 using the income approach to value.

Appraiser Keith Honegger was next called as a witness. Honegger has been a State Certified General Real Estate Appraiser since the mid-nineties with the main focus being low income housing. He started doing Section 515 properties in 1990. Honegger testified that he has appraised quite a few Section 42 properties and several supportive living facilities. Honegger stated that his method of valuation for supportive living facilities has previously been accepted in at least 30 or more counties in Illinois by the supervisor of assessments in each respective county, including Macon County.

Honegger testified that his interpretation of the statute on the income approach to value concerning supportive living facilities is that the appraiser is only to consider income from rent and not income from services. Page 38 of his report depicts estimated monthly revenue for operational supportive living facilities for providing housing and services to Medicaid eligible residents. The revenue includes funds paid by a resident for room and board, the Supplemental Nutrition Assistance Program (SNAP) allocation from a resident, and funds paid by the Department of Healthcare and Family Services for services rendered to a Medicare eligible resident. Honegger testified that the rental chart depicts $620 is the amount of rent, room and board including food for the residents of every supportive living facility in the State of Illinois. Honegger also pointed out that low income residents are reimbursed $106 for the SNAP which goes directly to the facility, not the person. In addition, Medicaid pays the owners $1,988 for services.

Honegger testified that most of the time the supportive living facilities do not have 100% low income occupants, so they are allowed to take in private pay residents. Honegger stated the private pay individuals opt for a higher level of service. For the subject property, the management charges a little bit more for private pay than they do for the Medicaid individuals. Honegger examined three other supportive living facilities with the same manager as the subject. The percent of low income residents ranged from 56% to 74%, so he used 60% of low income residents as the median, which indicated low income rent of $620 per month. Honegger testified that two of the apartments would be double occupancy at a rate of $886 and private pay being slightly higher with the 40% balance of the units being private pay at $1,020 a unit and double occupancy at $1,466. Honegger testified that he only used the rent on each apartment and did not utilize the income from services in his potential gross income analysis. Honegger estimated the subject's potential gross income to be $886,464. In addition, the owners receive food stamp revenue and SNAP revenue, which he estimated to be $109 per low income room. This amounted to $121,644 additional income. Honegger stated that this amount also included food as room and board, so he subtracted off the raw food cost to get to rent only income. After analyzing the three properties stated above, the food costs ranged from $5.50 to $8.48 per day. Honegger used $6 per day for food cost. Honegger found that other comparable properties, not managed by the same group as the subject, had food costs of approximately $4.50 to $4.75 per day. Honegger subtracted out raw food costs of $190,092 to arrive at gross rent of $818,016. Honegger then applied a 2% vacancy rate to arrive at an effective gross rental income of $801,656. For expenses, Honegger examined comparable Section 42 apartment properties. Honegger testified that he did not use supportive living facility expenses because whatever they spend on labor for services, house cleaning and everything else is co-mingled together and impossible to segregate out to get to just rental income. The average expense ratio for the 14 comparable Section 42 apartments was 68.6%. These properties had expense ratios ranging from 59.3% to 84.0%. Honegger's report depicts that based on the comparable properties that are strictly low income rental properties, the indicated expense ratio of the subject's apartments would be between 61% and 65.7%. Honegger also examined the 2013 operating expense of three supportive living facilities in Illinois. The expense ratio of each facility was calculated by dividing the total operating expenses less property taxes by the total revenue. Honegger found that the three properties had total operating expenses ratios ranging from 54% to 59%. Honegger noted that these ratios also included service expenses. Honegger compared the average of operating expense of 56.5% for supportive living facilities with the comparable Section 42 facilities and found they came with 5% of each other. From this, Honegger estimated the subject's expense ratio of 59% or $472,977 which resulted in a net income for the subject property of $328,679.

Honegger next developed an overall capitalization rate using a national average overall capitalization rate investor survey for the 1st Quarter of 2013. The survey assumed an average tax rate of 8.68966% resulting in an effective tax rate of 2.90%. After adjustments, the investor survey depicted a calculated overall capitalization rate of 10.91% and a surveyed overall capitalization rate of 11.70%. Honegger also utilized the band of investments capitalization method which indicated an overall capitalization rate of 11.48%. Reconciling the three rates, Honegger used the band of investments overall capitalization rate of 11.48%, which fell between the two rates found in the investor survey.

Honegger testified that he then divided the net income of $328,679 by .1148 which yielded an estimated market value for the subject of $2,863,056.

Based on this evidence, the appellant requested a reduction in the subject's assessment to reflect the appraised value.

On cross-examination, Honegger testified he had no other designations other than Certified General Appraiser. Attached to the appraisal were data sheets of other supportive living facilities from which Honegger used 60% for private pay versus Medicaid. Honegger stated that at the time the appraisal was written he did not have a full year of data, which is why he did not use the subject's actual percentage of deviation. Honegger did not know the physical make-up of the subject on January 1, 2013 and agreed the subject charges a little more for private pay units. Honegger agreed that if the percentage of lower income units exceeded the 60% he used, his opinion of value would decrease because there would be fewer private pay units. Honegger testified that he understood that under Property Tax Code Section 10-390 he was not to include service income in his income approach. In addition, it was his understanding that he was to ignore service expenses. Honegger testified that he used two methods of evaluation. He looked at Section 42 properties to see what their expenses were because they would be similar to the subject in a similar rental situation. He also looked at the actual expense percentages of Supportive Living Facilities. Honegger found that, after looking at 30 properties, their expense ratio over the total units was about 61%, which correlates very closely with the 63% expense on just the rental side of a Section 42 property. Honegger concluded that the percent expense for a Supportive Living facility for both service and rental was about the same, in the 60% range. Honegger agreed that it skewed the result if the service income is excluded and the service expenses are not. Honegger testified that he was not considering service at all. He used the income from the apartments and the expense ratio he felt was appropriate for that income; and to get that expense ratio, he analyzed Section 42 properties, which are strictly rental properties that do not include service expenses.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of $1,963,624. The subject's assessment reflects a market value of $5,932,399, land included, when using the 2013 three-year average median level of assessment for Macon County of 33.10% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment, the board of review submitted an appraisal report with an estimated market value for the subject of $8,190,000 prepared by Joseph M. Webster, an Illinois Certified General Real Estate Appraiser. Webster has been appraising property since 2006 and is a designated member of the Appraisal Institute (MAI) and a published author through the Appraisal Journal. Webster was called as a witness and agreed that Section 10-390 of the Property Tax Code applies to the subject property.

Webster looked at other Assisted Living Facilities and Supportive Living Facilities in Decatur, Forsyth and Sullivan to determine an opinion of market rent for the subject property. The assisted living rents ranged from $2,025 to $2,975 for a studio apartment, $2,450 to $3,575 for a one-bedroom and from $425 to $1,058 for a second person fee. Webster's appraisal report, page 30, depicts the majority of services provided were relatively similar and market rent was based on weekly housekeeping, laundry, as well as three meals per day.

Webster opined that a market rent for Studio units was $2,500 per month, one-bedroom units were $3,100 per month and a second person fee of approximately $700 per month were reasonable. Webster then compared his estimated rents to the current rents as of January 1, which were reported to be $2,600 a month for a studio as a base with a level of care increase to $2,900 a month for moderate assistance and $3,200 a month for extensive assistance. The one-bedroom units were rented for $3,000 a month as a base with $3,300 as a moderate level of care increase as well as $3,600 a month for the extensive level of care increase. The second person charge is $900 per month. Webster testified that he looked at the subject's historical income from the 2013 operating income statement and compared that to supportive living facility expenses. He examined them on an expense per unit, expense per resident day and expense per percentage of income basis. He then compared the historicals with the expense comparables and determined what he felt would be the appropriate stabilized operating income for the subject.

Webster testified that the issue at hand was services, which the subject was charging $900 per month for a second person charge, which includes dietary, personal care and activities. Webster opined that the remainder was essentially operating expenses that could be attributed to rental property, so as a result he considered the second person charge. Webster testified that he felt that if he were to deduct the second person charge, it should be deducted above the vacancy and collection loss line. Webster opined that $900 per month above the vacancy and collection line at a 30% vacancy loss would result in a net increase to what would be viewed as the real estate if he also deducted service expenses. Therefore, he deducted service expenses from the expense line and also from the rents. Because there was no evidence that there was additional net income obtained from the services itself, he felt they could be attributed to the real estate. From there, he capitalized the net income into value.

Webster used private pay base rents of $2,600 per month for studio units and $3,000 per month for one-bedroom units. No level of care fees were utilized and each room was considered to have single occupancy. The percentage of resident days occupied by residents using Medicaid was 20.33% in 2012 and 43.25% in 2013. The expense comparables used had a range of Medicaid resident days between 13.02% and 84% with an average of 46.82%. Webster used 45% of resident days, which he felt was reasonable.

Webster found that as of January 1, 2013, the Illinois Department of Health Care and Family Services specified a Medicaid rate of $2,714 per month for Central Illinois, which he used for the one-bedroom units of residents using Medicaid. A rent of $2,600 per month was used for the studio units. The subject's vacancy loss in 2013 was 13.24% in 2013. The potential gross income represented $145.92 per resident day, which implied an economic vacancy level between 30.14% and 30.73%. Webster utilized a 30% vacancy rate in his analysis. Webster felt a deduction to reflect the additional rent attributed to services was necessary. He felt a second person charge would be a reasonable deduction for services. He found that in 2013, the service expenses, namely dietary/food, health care/personal care and activities/social services were $10,632 per unit, although an expense of $9,099 per unit was reasonable to be allocated to the supportive living section of the subject. He also used an incremental increase in employee benefits/payroll taxes, the result of those expense items was $1,695 per unit.

A deduction of $10,795 was used per unit from the effective gross income of $1,817,401 attributable to the property as a whole yielded effective gross income attributable to real property. Effective gross income was estimated by subtracting the vacancy and collection losses as well as a deduction for service income from the gross operating income. After deduction of expenses for housekeeping, laundry/maintenance, heat/utilities, general service, marketing, administrative/clerical and employee/payroll taxes he found the supportive living expense facilities had wage expenses ranging from $6,842 to $10,677 per unit with an average of $8,067 per unit. The subject had a wage expense of $10,735 per unit in 2013. Webster estimated wages for the subject of $9,500 per unit, with 78% being devoted to dietary, health care/personal care and activities/social services. This indicated $2,090 per unit for wages attributable to the remaining categories. After considering a wage expense of 18% attributable to employee benefits and payroll taxes, an expense of $376 per unit was considered reasonable. Webster next utilized the 1st Quarter 2014 survey by Realty Rates which quoted reserves for replacements between $250 and $675 per unit with an average of $375 per unit. Webster felt $400 per unit was reasonable. Webster found operating expenses totaled $949,334 or 48.85% of effective gross income, which suggested an expense ratio of 65.11%. Exclusion of management and reserves for replacements, Webster found the subject's expenses were $8,763 per unit or $28.25 per resident day. The subject's expense per unit were lower than four of the five expense comparables. Webster estimated the subject's net operating income of $993,989, which represented 51.15% of effective gross income. Utilizing a band of investments technique Webster developed a capitalization rate of 11.44%. Webster considered an equity dividend rate of 13% was appropriate for the subject based on the rate expectations for the subject property, which resulted in an overall rate of 8.67% which he found was consistent with the rates taken directly from the marketplace and with rates quoted in investor surveys. Webster's report indicates taxes were loaded in the capitalization rate. However, the income stream included furniture, fixtures and equipment (FF&E) which comprised approximately 6% of the total value, therefore, the overall rate subsequent to loading the tax rate was 11.44%. In summary, net operating income of $993,989 was divided by the overall capitalization of 11.44%, and after deduction of FF&E ($500,000), it indicated an estimated value for the subject of $8,188,715 or $8,190,000, rounded.

In order to differentiate between the building value and land value for the subject, Webster also analyzed five land sales. The land comparables were located in Decatur and Forsyth. They ranged in size from 3.5 to 6.44 acres and sold from July 2009 to October 2013 for prices ranging from $0.61 to $2.16 per square foot. The comparables were adjusted for conditions of sale, date of sale, location, size, access, configuration and zoning to arrive at adjusted sale prices ranging from $0.70 to $1.86 per square foot of land area. Webster estimated a value of $1.60 per square foot of land area or $185,000, rounded, was reasonable for the subject.

On cross examination, Webster acknowledged service related income was considered in potential gross operating income, but was not included in effective gross income. Webster stated the service income included in the potential gross income was deducted back out before he arrived at effective gross income. Webster reiterated that he looked at the expense comparables on three metrics: (1)The expenses per unit, (2) expenses per resident day and (3) expenses as a percentage of income. He also looked at the historicals. Webster testified that he did not include service expenses or service income.

Based on the evidence and testimony, the board of review and intervenor requested the subject's assessment be increased to reflect the appraised value of $8,190,000.

Intervenor's counsel rested on the evidence presented by the board of review which was submitted jointly with the board of review.

Conclusion of Law

The appellant contends the market value of the subject property is not accurately reflected in its assessed valuation as mandated by Section 10-390 of the Code (35 ILCS 200/10-390). 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 preponderance of the evidence does not meet this burden of proof and a reduction in the subject's assessment is not warranted. The board of review and intervenor requested an increase in the subject's assessment based on the evidence presented herein. The Board further finds a preponderance of the evidence does not support an increase.

This assessment appeal concerns a supportive living facility, which is to be valued pursuant to Section 10-390 of the Code which is one of the enumerated "special properties" set forth in Article 10 of the Code specifying the valuation technique to be utilized. Section 10-390 commences with the phrase "[n]otwithstanding Section 1-55" in order to determine the fair cash value of a supportive living facility, a local assessment officer must use the income capitalization approach.[2]

Both parties' appraisers, Honegger and Webster, agree on the basic principles and methodologies applicable and employed in an income approach to value. Both parties agree that the income approach technique requires the appraiser to derive a value indication for an income-producing property by converting its anticipated benefits (such as cash flow or future rights to income) into property value. One method is to convert one year's income expectancy (potential gross operating income less operating expenses) by applying a market-derived capitalization rate. (Honegger appraisal, p. 12; Webster appraisal, p. 28)

Based on the extreme differences contained within each appraisal report, the Board in its initial analysis examined where the two appraisers were in agreement and where they diverged in their individual analyses and reports. The Board finds both appraisers were fairly in agreement regarding the percentage of expenses to be applied (Honegger 59% - Webster 51.83%) and the overall capitalization rate (Honegger 11.48% – Webster 11.44%) utilized to convert the subject's net operating income into a market value. The appraisers, however, were far apart on the proper amount of market rents (Honegger $620/unit – Webster $2,500-$3,100/unit) utilized to determine the subject's potential gross income and were divergent on the amount of vacancy and collection losses (Honegger 2% - Webster 30%) to be applied, which is integral in determination of effective gross income and net operating income applicable to the subject.

In order to determine the proper estimated market rents, the Board examined each appraisers' methodology utilized in their individual analysis. Honegger relied on published rental rates from the Illinois Supportive Living Program. The January 2, 2013 published listing states in part:

> The purpose of this chart to give estimated monthly revenue for operational supportive living facilities for <u>providing housing and services</u> to Medicaid-eligible residents. The revenue includes funds paid by a resident for <u>room and board</u>, the Supplemental Nutrition Assistance Program (SNAP) allocation from a resident, and funds paid by the Department of Healthcare and Family Services <u>for services</u> rendered to a Medicaid-eligible resident.

(Honegger Appraisal p.38) (emphasis added).

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[2] Section 1-55 of the Code defines 33 1/3% for purposes of the Code as "one-third of the fair cash value of property, as determined by the Department's [of Revenue] sales ratio studies for the 3 most recent years preceding the assessment year, adjusted to take into account any changes in assessment levels implemented since the data for the studies were collected." (35 ILCS 200/1-55)

The Illinois Supportive Living Program publication depicts Macon County "Room and Board" for a single occupant Medicaid resident being $620, double occupancy being $886 and single private pay resident being $1,020 with double occupancy private pay of $1,460 per unit. Honegger assumed a ratio of 60% Medicaid residents versus 40% private pay residents utilizing three other supportive living facilities, which had the same owner as the subject property. Honegger found that this equated to potential gross rents of $886,464. In order to derive effective gross income, Honegger added in food stamp revenue of $121,644 and subtracted raw food costs of $190,092 and then applied a 2% vacancy rate. Honegger's report depicts his estimation of food stamp revenue and raw food costs were estimated percentages based on Section 42 apartment properties. The Board finds Honegger's use of the Illinois Supportive Living Program publication is questionable because it appears the chart estimates monthly revenue which includes income from services. (*see above quotation with emphasis added*).

Webster, on the other hand, utilized market rents based on seven assisted living facilities (Webster appraisal, p.29). The first comparable depicts rent for an independent living one-bedroom unit of $2,845 per month and assisted living rents of $3,865 per month, however this includes three daily meals, laundry, housekeeping and transportation. The second comparable depicts rent of $3,375 per month for a one-bedroom unit with laundry, transportation and 21 meals per week included. The third comparable depicts monthly rent of $2,410 for an independent living unit and $3,130 for assisted living units with no mention of the allocation for services provided. The fourth comparable depicts rent in the amount of $2,958 for a one-bedroom unit which includes meals, laundry and housekeeping and requires an initial deposit of $1,000. The fifth comparable depicts rent of $2,896 per month for a one-bedroom assisted living unit and includes three meals per day, weekly housekeeping and weekly laundry. The comparable in Imboden Creek, Decatur, depicts rents for independent living of $1,880 per month which includes utilities and common area maintenance, but no meals, housekeeping, or laundry. Assisted living units rent for $3,575 per month which includes meals, housekeeping and wellness. The seventh comparable depicts rent for a one-bedroom unit of $2,450 per month and includes three meals per day, housekeeping and laundry. The range of rents for a one-bedroom assisted living unit ranged from $2,450 to $3,375 per month. From this, Webster concluded market rents for studio units of $2,500 per month and $3,100 per month for one-bedroom units was appropriate. The Board, however, finds each of these market rents included income for services.

The Board finds the best market comparable in this record, which included no service income, is comparable #6 located in Imboden Creek, Decatur. Rents were depicted as $1,880 per month which included utilities and common area maintenance, but no meals, housekeeping or laundry.

Both appraisers diverged greatly on the amount of vacancy in their reports. Honegger utilized 2% while Webster estimated 30%. The Board finds Honegger's estimation of vacancy is not at all supported in this record. Honegger simply applies 2% with no data to support this assumption. Webster, on the other hand, examined the subject's historical data and the vacancy rates of five comparable properties which had vacancy rates ranging from 1.28% to 37.95%. Webster found the potential gross income of the subject represented $145.92 per resident day, which implied an economic vacancy level of between 30.14% and 30.73%. Even though he felt this was higher than typical, Webster applied a 30% vacancy level in his analysis. The Board finds Webster's estimation of vacancy is better supported in this record, but takes notice that it reflects a higher amount than typically reported.

Based on the data herein and the extreme divergent opinions of the two competing experts, the Board finds it appropriate to examine the data and compute the subject's market value utilizing the income approach to value pursuant to Section 10-390 of the Code concerning "Valuation of Supportive Living Facilities" (35 ILCS 200/10-390) using proper market rents which excludes income and expenses from service and the appropriate rate of estimated vacancy.

The Board finds the subject contains 93 units. Application of rent of $1,880 per month indicates potential gross income excluding service income of $174,840 per month or $2,098,080 per year. Applying a 30% vacancy results in a vacancy loss of $629,424 with an effective gross rental income of $1,468,656. Applying expense rate of approximately 55%, which both appraisers approximately agreed upon, results in net income attributed to real estate only of $660,895. Both appraisers also agreed on the approximate overall capitalization rate to be applied to convert the subject's net income into market value; Honegger used 11.48% and Webster used 11.44%. Applying an overall capitalization rate of 11.46% results in an estimated market value for the subject, without inclusion of service income or service expense, of approximately $5,766,972.

The Board finds Honegger understated the subject's market value attributed to the subject's real estate by applying lower estimated rents and less vacancy. The Board further finds Webster appears to have overstated the subject's market value attributed to real estate by applying overly zealous market rents which included service income.

Based on this record, the Board finds the appellant has failed to show by a preponderance of the evidence that the subject is overvalued and the Board further finds that the board of review and intervenor failed to show by a preponderance of the evidence that an increase in the subject's assessment is justified. The subject's assessment reflects a market value of $5,932,399, land included, when using the 2013 three-year average median level of assessments for Macon County of 33.10% as determined by the Illinois Department of Revenue. The Board finds that based on the individual make-up of the units contained within the subject, the subject's assessment appears correct and justified based on the best evidence in this record.

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.

Chairman

Member

Member

Member

Acting 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: December 23, 2016

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.