



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

APPELLANT: Terry Kroening
DOCKET NO.: 16-05290.001-C-1
PARCEL NO.: 07-1-04215-000

The parties of record before the Property Tax Appeal Board are Terry Kroening, the appellant; and the Coles 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 **Coles** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$6,667
IMPR.: \$40,333
TOTAL: \$47,000

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Coles County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2016 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 two-story commercial building of masonry construction with 17,839 square feet of building area. The building is 117 years old with an effective age of 40 years old. The building has an unfinished basement that is used for storage and mechanical equipment. The first floor has retail and office area and the second floor has office space and an apartment. The property has a 9,800 square foot site and is located in Mattoon, Mattoon Township, Coles 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 \$141,000 as of February 21, 2017. The appellant's appraisal was completed using all three of the traditional approaches to value property in estimating a market value for the subject property.

Under the cost approach, the appellant's appraiser selected seven land comparables located in Mattoon, six of which were vacant. The comparables had land sizes ranging from 7,000 to 149,411 square feet of land area. The comparables had sale dates ranging from December 2010 to July 2016 and sold for prices ranging from \$7,000 to \$220,000 or from \$.59 to \$4.16 per square foot of land area. After adjusting the comparables for their larger lot sizes, the appraiser estimated the subject's 9,800 square foot site has a value of \$2.00 per square foot or \$20,000, rounded. The appraiser then calculated a cost-new of the subject's improvements of \$638,290 and subtracted \$494,654 for depreciation to arrive at a depreciated value of the improvements of \$143,636. The appraiser next added the estimated land value of \$20,000 to the depreciated value of the improvements of \$143,636 to arrive at an indicated value for the subject by the cost approach of \$164,000, rounded.

Under the sales comparison approach, the appellant's appraiser selected three comparable properties located in Mattoon. The comparables were similar commercial buildings ranging from 4,180 to 15,296 square feet of building area. The comparables ranged in age from 106 to 125 years old. The comparables had other features with varying degrees of similarity to the subject. The comparables had sale dates ranging from October 2015 to March 2017 and sold for prices ranging from \$30,000 to \$65,000 or from \$4.25 to \$14.83 per square foot of building area, including land. After adjustments the comparables had adjusted sale prices ranging from \$5.53 to \$9.64 per square foot of building area, including land. Based on the adjusted sales, the appraiser arrived at an indicated value for the subject by the sales comparison approach of \$143,000.

Under the income approach, the appellant's appraiser disclosed that the two retail rentals on the first floor are occupied and part of the second floor is occupied. The appraiser calculated an annual potential gross income for the subject of \$55,248. The appraiser estimated the subject has a 20% vacancy rate and calculated a potential annual effective gross income of \$44,198. The appraiser next subtracted \$28,550 for the total annual expenses to arrive at a total net operating income for the subject of \$15,648. The appraiser estimated an overall capitalization rate of 11.90% would be appropriate for the subject and divided the net operating income by this overall capitalization rate to arrive at an indicated value for the subject by the income approach of \$132,000, rounded.

Under reconciliation, the appraiser placed 50% weight on the sales comparison approach, 40% on the income approach and 10% on the cost approach, to estimate the subject property had a market value of \$141,000 as of February 21, 2017.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$69,000. The subject's assessment reflects a market value of \$207,831 or \$11.65 per square foot of building area, land included, when using the 2016 three-year average median level of assessment for Coles County of 33.20% as determined by the Illinois Department of Revenue.

As to the appellant's appraisal, the board of review submitted a brief from their representative critiquing the appraisal. The representative argued that the appellant purchased the subject property in July 2015 for \$135,000 and reported improvements to the property of \$70,000. The

representative also argued that the appellant's appraiser did not use market rents in the appraisal's income approach.

In support of its contention of the correct assessment the board of review submitted a grid analysis containing information on eight commercial sales. Two of which were listed twice on the grid and one of the comparables was also used by the appellant's appraiser. The comparable properties ranged in size from 4,180 to 18,896 square feet of building area and were built from 1896 to 1920. The comparables had other features with varying degrees of similarity to the subject. The comparables had sale dates ranging from November 2011 to July 2016 for prices ranging from \$55,000 to \$146,000 or from \$7.14 to \$15.18 per square foot of building area, including land. The board of review's evidence included a recent sale of a 21,192 square foot commercial building in Effingham that sold for \$280,000 or \$13.21 per square foot of building area, including land. The sale date was not disclosed.

Based on this evidence, the board of review requested that the subject's assessment be confirmed.

The appellant submitted rebuttal critiquing the board of review's evidence.

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 appraisal submitted by the appellant estimating the subject property had a market value of \$141,000 as of February 21, 2017. The subject's assessment reflects a market value of \$207,831 or \$11.65 per square foot of building area, including land, which is above the best evidence of market value in the record. The Board recognizes that the appraisal date is 13 months subsequent to the assessment date at issue and the income approach, calculated by the appellant's appraiser, did not use market rents and had small errors. However, the Board finds the sales grid submitted by the board of review including two sales twice and the sale prices ranged from \$55,000 to \$146,000, which supports the appellant's appraisal evidence. Two of the sales also occurred in 2011 and 2012, which would be less probative of the subject's market value as of the January 1, 2016 assessment date at issue. Furthermore, the Board finds the sale in Effingham was not necessary to be included in the appellant's appraisal due to its sale price being an outlier. Based on this evidence, the Board finds a reduction in the subject's assessment commensurate with the appellant's request 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: January 21, 2020



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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COUNTY

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