



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

APPELLANT: Domex Properties LTD Partnership
DOCKET NO.: 16-07365.001-C-1
PARCEL NO.: 04-16-482-003-000

The parties of record before the Property Tax Appeal Board are Domex Properties LTD Partnership, the appellant, by attorney Arthur W. Morris, of Traughber & Morris, in Columbia, and the Monroe 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 **Monroe** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$27,200
IMPR.: \$127,800
TOTAL: \$155,000

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Monroe 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 is improved with two buildings. Building #1 consists of a two-story apartment building containing eight townhouse-style units. The building of brick and vinyl siding exterior construction was built in approximately 1992, has a crawl-space foundation and contains 6,656 square feet of building area. Building #2 consists of a 1.5-story dwelling of vinyl siding exterior construction containing 1,250 square feet of living area. The home was built in approximately 1931¹ and features an unfinished cellar and central air conditioning. The property has an approximately 21,344 square foot site and is located in Columbia, Monroe County.²

¹ The appellant's appraiser reports the dwelling is approximately 85 years old whereas the assessing officials report this dwelling is about 120 years old.

² The Monroe County Board of Review failed to submit a copy of the subject's property record card which is required to be filed by the Property Tax Appeal Board's procedural rules. (86 Ill.Admin.Code §1910.40(a)). All of the descriptive data has been drawn from the appellant's appraisal report.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal prepared by Scott M. Tade, a Certified General Real Estate Appraiser, estimating the subject property had a market value of \$465,000 as of January 1, 2016. The appraiser utilized two of the three approaches to value in arriving at the conclusion; due to the age of the subject, the appraiser indicated that the cost approach was not considered applicable.

Using the sales comparison approach, the appraiser considered three comparable sales of apartment buildings located within Waterloo as described on pages 12 through 14 of Tade's appraisal report. These comparable apartment buildings sold between September 2013 and December 2015 for prices ranging from \$300,000 to \$468,000, land included. Based on this data and giving equal weight to each sale, Tade estimated a value of \$450,000 for an eight-unit apartment building (see appraisal p. 15). Next, for Building #2, Tade considered three comparable sales of 1.5-story dwellings located in Columbia as described on pages 16 through 18 of the appraisal report. The comparable dwellings sold in July or October 2015 for prices ranging from \$70,000 to \$81,000 or from \$39.86 to \$51.80 per square foot of living area, including land. Based on this data and giving equal weight to each sale, the appraiser estimated a value of \$60,000 for the 1.5-story dwelling on the subject parcel (see appraisal p. 20). Combining these two value conclusions for Buildings #1 and #2, Tade opined an estimated market value for the subject property of \$510,000 under the sales comparison approach to value.

Under the income approach, the appraiser utilized actual rentals received and determined a gross rental income of \$76,665. Recognizing past experiences for the subject property concerning vacancy as set forth on page 26 of the appraisal report, Tade estimated 8% of the net income or \$6,133 resulting in an effective gross income calculation of \$70,532. Fixed expenses of actual real estate taxes of \$10,427 and insurance of \$3,970 were applied. Then the appraiser reported variable expenses for maintenance and repairs of \$3,527 or 5% of effective gross rent, reserve for replacement of \$4,650, utilities of \$5,215 based upon actual expenses and management of \$4,232 or 6% of effective gross income. As depicted on page 25, Tade set forth estimated total expenses of \$32,021 resulting in a net income calculation of \$38,511. Based on available data, the appraiser applied an overall capitalization rate of 9.13%. This analysis resulted in an indicated value for the subject by the income approach of \$420,000, rounded.

In reconciling the two approaches to value as described on page 27 of the report, the appraiser gave equal weight to the two conclusions in arriving at an estimated market value for the subject of \$465,000, including land, as of January 1, 2016.

Based on the foregoing evidence, the appellant requested an assessment reflective of the appraised value.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$170,000. The subject's assessment reflects a market value of \$512,666 or \$64.85 per square foot of total building area, land included, when using the 2016 three year average median level of assessment for Monroe County of 33.16% as determined by the Illinois Department of Revenue.

In response to the appellant's appraisal, the board of review submitted a memorandum prepared by board of review member Mark Altadonna. In the memorandum, the board of review contends that based upon inspection Building #2 appears to have a much lower effective age than its actual age of 120 years. "The Board of Review maintains the exclusion of the cost approach was inappropriate and resulted in a much lower fair market valuation."

As set forth in the memorandum, the board of review stated it had no dispute with the income approach methodology, but did contend that many of the expenses used "in the reconstructed operating statement" are estimates, "lending less credence to the income approach."

Next, in the memorandum, the board of review stated the sale approach methodology is not disputed. Furthermore, the board of review contends that it agreed with the value conclusion of the appraisal of \$510,000 and reduced the subject's assessment accordingly at the board of review level.

Based on the foregoing assertions, 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.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 Property Tax Appeal Board is to determine the correct assessment of any parcel of real property which is the subject of an appeal, based upon the facts, evidence, exhibits and briefs submitted to or elicited by the Board. 86 Ill.Admin.Code §1910.10(b). The Board is to make a decision in each appeal or case appealed to it, the decision shall be based upon equity and the weight of evidence . . . and shall be binding upon the appellant and officials of government. 35 ILCS 200/16-185. The Property Tax Appeal Board is not to afford *prima facie* correctness to the decision of the board of review. Western Illinois Power Co-op. v. Property Tax Appeal Board, 29 Ill.App.3d 16, 23 (4th Dist. 1975). A taxpayer seeking review before the Property Tax Appeal Board from a decision of the board of review does not have the burden of overcoming any presumption that the assessed value was correct. Mead v. Board of Review of McHenry County, 143 Ill.App.3d 1088, 1094 (2nd Dist. 1986). 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).

The issue before the Property Tax Appeal Board is the determination of the market value for the subject property as of January 1, 2016, for *ad valorem* tax purpose. The Board finds the best evidence of market value in this record was presented by the appellant in the form of the appraisal prepared by Scott M. Tade. In estimating the market value of the subject property, the appellant's appraiser developed both the income approach to value and the sales comparison approach to value.

The appellant's appraiser developed the income approach to value in detail. The appellant's appraiser examined the subject's income and expenses. The Board finds the appellant's appraiser's estimate of income and expenses was supported and in the absence of any other substantive evidence a credible determination of value. The Board further finds the appellant's appraiser's estimate of the loaded capitalization rate justified and unchallenged on this record. The conclusion of value under the income approach to value of \$420,000 is credible.

With respect to the sales comparison approach to value the appellant's appraiser examined sales of apartment buildings and sales of 1.5-story dwellings. From those two data sets, the appraiser estimated a market value for the subject Building #1 of \$450,000 and an estimated market value for the subject Building #2 of \$60,000. Thus, Tade opined a market value for the entire subject property under the sales comparison approach to value of \$510,000.

Next, the appraiser reconciled these two approaches to value and concluded an estimated market value for the subject as of January 1, 2016 of \$465,000.

The board of review presented no substantive evidence to refute the appellant's appraisal concerning matters such as methodology and/or an estimate of value under the income approach. Nothing from the board of review substantively challenged the appellant's appraiser's estimated income, expenses and/or the capitalization rate used to capitalize the income into an estimate of value. The board of review presented nothing specific to critique or rebut Tade's methodology or estimated value using the sales comparison approach to value.

The Board further finds that the appellant has met its burden of proof by a preponderance of the evidence.

Based on the record, the Board finds a reduction in the assessment of the subject property is warranted

In conclusion, the Board finds the best evidence of market value to be the appraisal submitted by the appellant in the absence of any substantive contradictory market value data. The subject's assessment reflects a market value of \$512,666 or \$64.85 per square foot of building area, including land, which is above the appraised value of \$465,000. Based on this evidence, the Board finds a reduction in the subject's assessment commensurate with the appellant's request is justified.

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: April 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

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