



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

APPELLANT: Zach Derrico
DOCKET NO.: 17-00595.001-R-1
PARCEL NO.: 09-34-307-004

The parties of record before the Property Tax Appeal Board are Zach Derrico, the appellant, by Jessica Hill-Magiera, Attorney at Law in Lake Zurich; and the Kane County Board of Review.

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 **Kane** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$40,856
IMPR.: \$181,402
TOTAL: \$222,258

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Kane County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2017 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 frame dwelling with 3,433 square feet of living area. The dwelling was constructed in 2016 and features an unfinished basement, central air conditioning and a 515-square foot garage. The property has a 6,621 square foot site and is located in St. Charles, St. Charles Township, Kane County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted information on the cost to construct the subject dwelling. The appellant completed Section VI – Recent Construction on Your Residence stating that the subject site was purchased in 2014 for \$125,000 and that the total cost of the building was \$368,500 which included all costs for the construction such as contractor’s fees, architectural or engineering fees, landscaping and building permits, resulting in a total cost of \$493,501 for the land and building. He stated that the building was fit for occupancy in 2016 and that the owner or a member of the owner’s family had acted as the general contractor for an estimated cost of \$33,500, which was

already included in the stated total building cost. The appellant also submitted a cost breakdown entitled "Remodel of 938 S. 5th Street, St. Charles, Illinois 60174." This unsigned document shows a total cost for labor and materials of \$334,346.93, along with a 10% general contractor's fee of \$33,500, for a grand total of \$368,500, rounded. He included a copy of the listing sheet for the land purchase which shows that, at the time of sale, the site was improved with an 1,800 square foot 1½-story Cape Cod-style dwelling situated on a deep lot located across from a park and tennis courts. The property was being sold "AS IS, cash only." Based on this evidence, the appellant's counsel requested a reduction in the subject's assessment to \$164,484 which would reflect a market value of \$493,501 or \$143.75 per square foot of living area, including land, at the statutory rate of 33.33% which is equivalent to the appellant's reported costs of acquisition and construction.

In response to appellant's evidence, the Property Tax Appeal Board sent appellant's counsel an "Incomplete Appeal Checklist" requesting two copies of the contractor's affidavit, two copies of the date completed and two copies of the date of occupancy. Counsel responded by returning the checklist on which there appeared a handwritten note stating that "all available evidence has been submitted, including construction cost and land value. No other evidence is available" and none of the requested items were submitted.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$222,258. The subject's assessment reflects a market value of \$667,041 or \$194.30 per square foot of living area, land included, when using the 2017 three-year average median level of assessment for Kane County of 33.32% as determined by the Illinois Department of Revenue.

The board of review submitted a memorandum prepared by the St. Charles Township Assessor's Office. The memorandum states that the current owner of the subject property, Zach Derrico, is also the builder, Derrico Custom Homes. The assessor alleges that the cost to build the home does not equate to the market value of the home once it is completed "which is evident when looking at the MLS listing (attached) for a house to be built by Derrico, one house away from the subject." The assessor referenced and provided the MLS listing which shows information about the subject home and indicates a list price of \$750,000.

In support of its contention of the correct assessment, the board of review submitted information on seven comparable sales, two of which were also built by Derrico Custom Homes. The comparables are located within .97 of a mile from the subject, in the same neighborhood as the subject. The dwellings consist of two-story frame single-family dwellings situated on sites containing from 6,634 to 14,026 square feet of land area. The homes were built from 2008 to 2017 and range in size from 2,038 to 3,425 square feet of living area. The comparables each have a basement, three with finished area, central air conditioning, and a garage ranging in size from 360 to 657 square feet of building area. Six of the comparables each have one or two fireplaces. The comparables sold from June 2015 to September 2017 for prices ranging from \$425,000 to \$793,000 or from \$193.30 to \$260.57 per square foot of living area, including land. Based on the foregoing evidence, the board of review requested confirmation of the subject's assessment.

In rebuttal, appellant's counsel argued that the board of review did not dispute or comment on the new construction costs submitted by the appellant. She contends that "[f]or new construction,

the building cost plus land value is usually used to establish a fair market value.” She further argued that the “evidence submitted by the BOR is neither responsive nor relevant to the basis of the appeal” as the appeal is not based on comparable sales or equity, and, therefore, the comparable sales evidence submitted by the board of review should be given no weight.

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 did not meet this burden of proof and a reduction in the subject's assessment is not warranted.

In support of their respective arguments, the appellant submitted evidence of recent construction costs of \$493,501 while the board of review submitted a memorandum and information on seven comparable properties, along with a listing sheet indicating the subject property was listed for \$750,000.

The Property Tax Appeal Board finds the best evidence of market value to be board of review comparables #3, #5 and #7 and the listing sheet which indicated a sale price of \$750,000 for the subject property. The three comparables are located in close proximity to the subject and are generally similar to the subject in age, size, design and most features. Further, comparable #7 was built by Derrico Custom Homes, like the subject. These three comparables sold in March or September 2017 for prices ranging from \$570,000 to \$793,000 or from \$193.30 to \$231.53 per square foot of living area, land included. The subject property was listed for \$750,000 or \$217.83 per square foot of living area, including land. The subject's assessment reflects a market value of \$667,041 or \$194.30 per square foot of living area, land included, which falls within the range established by the best comparable sales contained in the record and well below the listing price.

The Board gave less weight to board of review comparables #1, #2, #4 and #6 as comparables #2, #4 and #6 all sold in June 2015 which is too remote in time to the January 1, 2017 assessment date at issue to be reflective of the subject's market value as of that date and as comparable #1 is a much smaller dwelling with a finished basement, dissimilar when compared to the subject.

The Board finds the purported cost to construct the dwelling and purchase the land is not representative of fair cash value which is demonstrated by the actual sales presented by the board of review and the list price of the subject property. The Board further finds the appellant's overvaluation argument is not credible in light of the fact that the property was advertised for sale on the open market in 2016 for \$750,000. Based on this evidence, the Board finds a reduction in the subject's assessment is not 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: October 20, 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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