



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

APPELLANT: Locust Hills Village LLC
DOCKET NO.: 17-04674.001-C-3
PARCEL NO.: 04-24.0-200-032

The parties of record before the Property Tax Appeal Board are Locust Hills Village LLC, the appellant, by attorney Lisa Ann Johnson, of Smith Amundsen, LLC in St. Louis and the St. Clair County Board of Review.¹

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

LAND: \$ 35,439
IMPR.: \$1,615,912
TOTAL: \$1,651,351

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the St. Clair 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 nine multi-family two-story or three-story apartment buildings of frame construction that were 5 to 29 years old. The buildings range in size from 3,519 to 10,304 square feet of building area and present a total building area of 81,631 square feet.² The buildings contain a total of 120 two-bedroom apartments. The subject property consists of an 8.046-acre site located in Lebanon, O'Fallon Township, St. Clair County.

¹ While a request to intervene was filed (postmarked March 26, 2019) by Attorney Garrett P. Hoerner on behalf of Southwestern Illinois College, a taxing district, said request was untimely filed (more than 60 days after notice of the appeal issued on January 23, 2019 – see Certificate filed by board of review). On April 11, 2019, by letter the Property Tax Appeal Board advised counsel of the untimely intervention. On April 13, 2019 (postmarked April 15, 2019), Attorney Hoerner submitted a letter adopting the evidence filed by the board of review.

² In Section III of the petition, the appellant described the building size of each of the nine structures which totals 81,631 square feet of building area; the appellant's grid analysis inexplicably sets forth a total building area of 149,391 square feet.

The appellant's counsel marked comparable sales as the basis of the appeal but only provided data of one sale for equity comparable #3. The sale occurred in January 2017 for a price of \$4,575,000 or \$58,654 per apartment unit or \$59.55 per square foot of building area, including land. However, one sale is insufficient to make an overvaluation claim; a minimum of three recent sales should be supplied for an overvaluation argument based upon comparable sales. (86 Ill.Admin.Code §1910.65(c)(4)).

In support of the appeal, counsel for the appellant supplied a two-page Statement in Support of Appeal, a Section V grid analysis wherein the three equity comparables, one of which included sale data, were presented along with copies of applicable property record cards and various photographs. In the brief, the subject was described as an apartment community primarily leased by Applicant [*appellant*] to McKendree University for the purpose of residential housing for students of the university. The subject's amenities consist of a clubhouse and swimming pool. The brief further asserts that the "subject property" was subdivided during 2017, and a parcel containing "two of the eleven buildings" is now owned by McKendree University.

It was asserted in the brief that the three comparables "are generally newer, have been more recently updated, and include more features and amenities than the Subject Property." In the brief, comparables #1 and #3 were described as more upscale than the subject. Comparable #2 was described as a smaller apartment community and has fewer units but is remodeled, is close in proximity and is also used by McKendree University for the same purpose as the subject. Counsel for the appellant argued, "All of the comparable properties are assessed at a rate lower than the Subject Property although they are of similar or better quality."

As set forth in the Section V grid and descriptions in the brief, the three comparables are located from 1.1 to 13-miles from the subject. No data on lot size of the comparables was provided by the appellant. The comparables consist of two to three-story buildings of brick and wood exterior construction that range in age from 10 to 25 years old. The comparables consist of either six or one apartment buildings which consist of are 120, 16 or 78 apartments, respectively, of varying one-bedroom, two-bedroom, three-bedroom or two-bedroom townhouse styles. Comparable #1 was described as having a rentable 2,800 square foot clubhouse, office, movie room, extra storage, computer room, fitness center, outdoor pool and many covered garages. Comparable #2 as a townhouse style was described as including a dishwasher and washer/dryer hookups along with having a business center, media room and clubhouse access. Comparable #3 has been renovated and includes washer/dryer hookups. The comparables have improvement assessments ranging from \$199,855 to \$1,368,081 or from \$10,188 to \$12,491 per apartment or from \$10.34 to \$11.15 per square foot of building area.

Based on the foregoing evidence and argument as set forth in the brief and appeal petition, the appellant requested reduced improvement assessment for the subject of \$1,615,912 or \$13,761 per apartment unit or \$19.80 per square foot of building area.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total equalized assessment for the subject of \$2,101,502. The subject has an improvement assessment of \$2,066,063 or \$17,217 per apartment unit or \$25.31 per square foot of building area. The subject's total assessment reflects a market value of \$6,267,528 or \$52,229 per apartment unit or

\$76.78 per square foot of building area, land included, when using the 2017 three year average median level of assessment for St. Clair County of 33.53% as determined by the Illinois Department of Revenue.

In response to this appeal, the board of review asserted that it "feels this value to be fare [sic] and just the subject is rented by McKendree University for student housing. With average market rents at \$700.00 per month expensed at 15% and vac and loss @ 15% cap rate at 11% \$6,620,727 MV and A/V \$2,206,909." Based on this assertion, the board of review requested confirmation of the subject's assessment.

Conclusion of Law

Based upon Section 2d of the Commercial Appeal petition, 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 a reduction in the subject's assessment is not warranted on grounds of overvaluation.

The Board finds the only evidence of market value in the record to be one January 2017 sale described by the appellant as comparable #3. This property consists of six apartment buildings containing 78 apartment units as compared to the subject's nine apartment buildings containing 120 apartment units. Lacking sufficient data and, most importantly, the Board finds this one sale is insufficient market value evidence in this proceeding to establish the estimated market value of the subject. Thus, the Board gives no weight to the appellant's single comparable sale in the record.

On this record, the taxpayer's evidence consists of an assessment inequity argument as the basis of the appeal. When unequal treatment in the assessment process is the basis of the appeal, the inequity of the assessments must be proved by clear and convincing evidence. 86 Ill.Admin.Code §1910.63(e). Proof of unequal treatment in the assessment process should consist of documentation of the assessments for the assessment year in question of not less than three comparable properties showing the similarity, proximity and lack of distinguishing characteristics of the assessment comparables to the subject property. 86 Ill.Admin.Code §1910.65(b). The Board finds the appellant met this burden of proof and a reduction in the subject's assessment is warranted.

The appellant submitted three equity comparables for consideration by the Property Tax Appeal Board and the board of review provided no equity data in response to this appeal. The Board has given reduced weight to appellant's comparable #2 as this one apartment building with sixteen units is dissimilar to the subject property consisting of nine apartment buildings with 120 apartment units.

The Board finds appellant's equity comparables #1 and #3 are the best evidence of assessment equity in the record. These two comparables consisting each of six apartment buildings that contain 120 and 78 apartment units, respectively, bracket the subject property in size and number

of units with varying degrees of similarity to the subject in age and types of apartments. The comparables had improvement assessments of \$794,663 and \$1,368,081 or \$10,188 and \$11,401 per apartment unit or \$10.34 and \$11.15 per square foot of building area. The subject's improvement assessment of \$2,031,128 or \$17,217 per apartment unit or \$25.31 per square foot of building area, falls above the best equity comparables in this record. Based on this record and after considering adjustments to the comparables for differences when compared to the subject, the Board finds the appellant demonstrated with clear and convincing evidence that the subject's improvement was inequitably assessed and a reduction in the subject's improvement 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:

February 16, 2021



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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