



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

APPELLANT: Lake Christine Apartments, LLC
DOCKET NO.: 18-03969.001-C-2
PARCEL NO.: 10-29.0-302-015

The parties of record before the Property Tax Appeal Board are Lake Christine Apartments, LLC, the appellant, by attorney Lisa Ann Johnson, of Smith Amundsen, LLC in St. Louis; the St. Clair County Board of Review; and Southwestern Illinois College, intervenor, by attorney Garrett P. Hoerner of Becker, Paulson, Hoerner & Thompson P.C., in Belleville.

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: \$120,853
IMPR.: \$768,000
TOTAL: \$888,853

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 2018 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 six multi-family two-story apartment buildings of frame and masonry construction that were approximately 11 to 13 years old. The six buildings contain either 4,856 or 4,896 square feet of building area and present a total building area of 58,276 square feet. The buildings contain a total of 48 two-bedroom apartments. The subject is located in Mascoutah, Mascoutah Township, St. Clair County.

The appellant marked comparable sales as the basis of the appeal but provided no recent sales data. 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 with three equity comparables presented along with copies of applicable property record cards and various photographs. In the brief, the subject was described as a townhome community and it was asserted that the three comparables have been more recently updated and include more features and amenities than the subject.

The three comparables are located from 10.7 to 16-miles from the subject. The comparables consist of two and three-story buildings of frame or frame and masonry exterior construction that range in age from 9 to 18 years old. The comparables consist of six, one and three apartment buildings, respectively, for comparables #1, #2 and #3. There are 120, 9 and 72 one-bedroom to three-bedroom apartments. The comparables have equalized improvement assessments ranging from \$109,958 to \$1,386,824 or from \$11,557 to \$14,931 per apartment, rounded, or from \$9.54 to \$11.58 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 a reduced improvement assessment for the subject of \$629,769, rounded, or \$6,560 per apartment unit or \$10.81 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 \$996,918. The subject property has an equalized improvement assessment of \$876,065 or \$18,251 per apartment, rounded, or \$15.03 per square foot of building area. The subject's total equalized assessment reflects a market value of \$2,986,573 or \$62,220 per apartment unit or \$51.25 per square foot of building area, land included, when using the 2018 three year average median level of assessment for St. Clair County of 33.38% as determined by the Illinois Department of Revenue.

In response to this appeal, the board of review asserted that the "the income approach to value [is] best suited for this property value" and also included the sales comparison approach. A single chart entitled Income Approach displays various monthly rent totals, annual rent totals, vacancy and losses at various percentages and expenses at various percentages with a uniform capitalization rate of 10% to the various data points resulting in various totals.

The spreadsheet depicts rents of \$875 per month and \$925 per month resulting variously in estimated potential rental incomes of either \$504,000 or \$532,800 per year. In this analysis, the board of review depicted vacancy and collection loss variously at 10%, 20% and 25% along with expenses variously at 10%, 20% and 25% for the varying annual rental figures. In the spreadsheet analysis, the board of review depicts a 10% capitalization rate resulting in value conclusions for the subject depicted as ranging from \$2,835,000 to \$4,315,680, including land, which brackets the current 2018 estimated market value of the subject property.

The income approach analysis also has a highlighted box stating "sales comp submitted by the appellant 240 units sold for \$19,100,000 in October of 2018" which reflects a price of \$79,583 per unit for 24 frame buildings.¹ In support of this sale price, a copy of the PTAX-203 was provided indicating the property consisted of 240 apartment units that transferred via Limited

¹ As noted previously, there are no comparable sales in the appellant's evidentiary submission.

Warranty Deed. The analysis noted that the subject are brick buildings and when applying this price per unit at 48 units would reflect a market value of \$3,819,984.

Based on the foregoing evidence, the board of review requested confirmation of the subject's assessment.

The intervening taxing district in this proceeding adopted the evidence submitted by the St. Clair County Board of Review by a letter filed by their counsel dated February 18, 2020.

In rebuttal, the appellant's counsel presented the appellant's calculation of income and expenses for the subject property along with the appellant's 2018 IRS Form 1065 detailing income and expenses. The appellant's analysis depicted 2018 actual income of \$447,125 and expenses of \$227,953 resulting in net operating income of 219,172. Applying the board of review's capitalization rate of 10% results in a market value of \$2,191,720 or \$45,661 per apartment or \$37.61 per square foot of building area, including land. Counsel further asserted that it is appellant's position that "evidence of real estate taxes assessed by the County against comparable properties is the best evidence of value" the documents supplied in rebuttal reflect actual income data related to the subject property.

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) [*Emphasis added*]. The Board finds the appellant did not meet this burden of proof and a reduction in the subject's assessment is not warranted on grounds of overvaluation.

The appellant's evidentiary submission consisted of no comparable sales. The subject's total assessment reflects a market value of \$2,986,573 or \$62,220 per apartment unit or \$51.25 per square foot of building area, land included. The only recent sale in the record presented by the board of review depicted a sales price of \$79,583 per apartment and suggests that the subject property is undervalued based on its assessment. However, one sale is generally insufficient to establish market value. On this record, the Board finds there is insufficient market value evidence to either increase or decrease the subject's estimated market value based on only one comparable sale in the record made in an overvaluation argument.

Based upon the appellant's evidentiary submission, the appellant contends assessment inequity 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 on this basis.

The appellant submitted a total of three equity comparables to support its position before the Property Tax Appeal Board; the St. Clair County Board of Review failed to submit any equity data in its documentary submission. The Board has given reduced weight to appellant's comparable #2 as this one apartment building with nine units is dissimilar to the subject property consisting of six apartment buildings with 48 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 of six and three apartment buildings, respectively, that contain 120 and 72 apartment units, respectively, and thus were relatively similar to the subject property although overall larger and would be expected to have lower assessments per unit than the subject based upon the principle of the economies of scale. The comparables had equalized improvement assessments of \$1,386,824 and \$1,074,999 or \$11,557 and \$14,931 per apartment unit or \$11.30 and \$11.58 per square foot of building area. The subject's equalized improvement assessment of \$876,065 or \$18,251 per apartment unit or \$15.03 per square foot of building area, falls above the best equity comparables in this record both in terms of overall improvement assessment, on a per-apartment-unit basis and upon a per-square-foot basis. 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 should be reduced due to lack of assessment uniformity.

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: June 8, 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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