



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

APPELLANT: Century Development, LLC
DOCKET NO.: 18-03970.001-C-3
PARCEL NO.: 04-30.0-115-023

The parties of record before the Property Tax Appeal Board are Century Development, LLC, the appellant, by attorney Lisa Ann Johnson, of Smith Amundsen, LLC in St. Louis; the St. Clair County Board of Review; O'Fallon Township H.S. #203 and Southwestern Illinois College, intervenors, 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 ***no change*** 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: \$ 105,019
IMPR.: \$1,194,037
TOTAL: \$1,299,056

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 seven multi-family 2.5-story and 3-story apartment buildings of frame and masonry exterior construction that were 13 to 22 years old and commonly known as Brookside.¹ The seven buildings each reportedly contain approximately 10,820 square feet of building area and present a total building area of approximately 75,743 square feet. The buildings contain a total of 84 one-bedroom and two-bedroom apartments. The property has an inground swimming pool and is located in O'Fallon, O'Fallon Township, St. Clair County.

¹ Description of the subject has been drawn from the appellant's evidence as the property record cards cannot be deciphered. The property record cards appear to depict seven two-story or three-story apartment buildings built from 1997 to 2006.

The appellant's counsel marked comparable sales as the basis of the appeal but provided evidence of assessment inequity as the basis of the appeal consisting of a brief, a grid of three equity comparables and supporting documentation.

In the brief, the subject was described as an apartment community and it was asserted that the three comparables "have been more recently updated and include more features and amenities than the Subject Property." Counsel asserted the comparables are "assessed at a rate lower than the Subject Property although they are of similar or better quality." In the brief, comparable #1 was asserted to have a rentable clubhouse, office, movie room, extra storage, computer room, fitness center, outdoor pool and many covered garages along with landscaping and walking trails; comparable #2 was asserted to have a better location and consists of townhomes that are updated and include washer/dryer hookups; and comparable #3 is asserted to be of higher quality, with additional amenities and higher rents than the subject.

The three comparables are located from 2.7 to 5.8-miles from the subject. No data on lot size of the comparables was provided by the appellant. 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 and range in size from 11,520 to 122,748 square feet of building area. There are 120, 9 and 72 apartments, respectively, in comparables #1, #2 and #3 of one-bedroom, two-bedroom and/or three-bedroom designs. The comparables have improvement assessments ranging from \$109,958 to \$1,386,824 or from \$11,557 to \$15,667 per apartment 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 \$818,529 or \$9,744 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 assessment for the subject of \$1,299,056. The subject property has an improvement assessment of \$1,194,037 or \$14,215 per apartment or \$15.76 per square foot of building area. The subject's total equalized assessment reflects a market value of \$3,891,720 or \$46,330 per apartment unit or \$51.38 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

The intervening taxing districts in this proceeding adopted the evidence submitted by the St. Clair County Board of Review by a letter filed by their counsel dated March 16, 2020.

In response to the appeal, the board of review asserted that the income approach to value is best suited for the subject's property value. In addition, the board of review provided "data" for the sales comparison approach.

In response to this appeal, the board of review asserted that the "income approach is best in this type of property" and attached two spreadsheets along with supporting data. The board of review contends that in developing the income approach to value, which is one of the three

traditional approaches to market value, the board of review considered the "average" market rent and the "average maintenance, property management, and vacancy and collection loss."

The "income approach" spreadsheet the board of review has depicted rents of either \$600 or \$750 per month and thus estimated potential rental income of either \$604,800 or \$756,000 per year. The spreadsheet asserted that \$600 to \$1,100 were "average market rents for St. Clair County." Alternatively applying vacancy and collection losses of 10%, 20% and 25%, respectively, to the rental rates of both \$600 and \$750 per month, and applying expenses of 10%, 20% and 25%, respectively, to the respective rental rates of \$600 and \$750 per month, with a uniform capitalization rate of 10%, the board of review depicted market values for the subject in this income approach analysis ranging from \$3,402,000 to \$6,123,600. There is also no data to support or explain the expense ratios and/or the capitalization rate that was utilized. The Property Tax Appeal Board further finds that five of the six proposed estimated market values under the board of review's income approach analysis are greater than the current 2018 assessment of the subject property.

As to sale data, the board of review noted that one of the appellant's equity comparables of "240 units sold for \$19,100,000 in October 2018." As the appellant's evidence before the Property Tax Appeal Board did not reveal a comparable with 240 units, the record fails to adequately describe and/or identify this purported sale property for purposes of a meaningful analysis. From this data, the board of review noted applying a sale price of \$79,583 per apartment to the subject would result in a market value of \$6,684,972.

Based on the foregoing evidence, 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 October 2018 sale insufficiently described by the board of review and consisting of 240 apartment units as compared to the subject's 84 apartment units. Lacking sufficient descriptive data including location, age and/or other features, 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 board of review's single comparable sale in the record.

Likewise, the Board has given no weight to the unsubstantiated income approach presented by the board of review in this proceeding. Furthermore, the Board finds that the income approach calculations fail to support the subject property's estimated market value based upon its

assessment as five of the six alternative value conclusions are higher than the subject's current estimated market value.

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 did not meet this burden of proof and a reduction in the subject's assessment is not 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 nine units is dissimilar to the subject property consisting of seven apartment buildings with 84 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 that contain 120 and 72 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 \$1,386,824 and \$1,074,999 or \$11,557 and \$15,667 per apartment unit or \$11.30 and \$11.58 per square foot of building area. The subject's improvement assessment of \$1,194,037 or \$14,215 per apartment or \$15.76 per square foot of building area, falls between the best equity comparables in this record in terms of overall improvement assessment and on a per-apartment-unit basis. The subject's slightly higher per-square-foot improvement assessment also appears to be logical given that the subject has a total building area of 75,743 square feet as compared to these two larger comparables of 122,748 and 92,808 square feet of building area, respectively. Based on this record and after considering adjustments to the comparables for differences when compared to the subject, the Board finds the appellant did not demonstrate with clear and convincing evidence that the subject's improvement was inequitably assessed and thus, no reduction in the subject's improvement assessment 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:

December 15, 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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