



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

APPELLANT: The Meadows at Shadow Ridge LLC
DOCKET NO.: 18-03988.001-C-2 through 18-03988.002-C-2
PARCEL NO.: See Below

The parties of record before the Property Tax Appeal Board are The Meadows at Shadow Ridge LLC, the appellant, by attorney Lisa Ann Johnson, of Smith Amundsen, LLC in St. Louis, and the St. Clair 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 **St. Clair** County Board of Review is warranted. The correct assessed valuation of the property is:

DOCKET NO	PARCEL NUMBER	LAND	IMPRVMT	TOTAL
18-03988.001-C-2	08-15.0-309-036	21,208	280,254	\$301,462
18-03988.002-C-2	08-15.0-309-037	54,334	683,670	\$738,004

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from decisions 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 assessments 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 two parcels consist of a total of eight multi-family two-story and three-story apartment buildings of frame and masonry construction that were from 9 to 19 years old. The buildings range in size from 3,430 to 6,464 square feet of building area and present a total building area of 37,182 square feet.¹ The buildings contain a total of 97 one-bedroom and two-bedroom apartments. The two parcels consist of a combined site of 2-acres of land which is located in Belleville Township, St. Clair County.

¹ As part of the appellant's brief, counsel asserts the subject includes 6,464 square feet of unfinished basement area such that "the correct amount of square footage should be 19,392. Standard assessment practice is to include only above-grade living area in the square footage calculation. Thus, the Board finds no merit in the appellant's square footage argument on this record.

The appellant marked comparable sales as the basis of the appeal but only provided data of two sales that occurred in April 2004 and October 2018; the 2004 sale date is too remote in time to the valuation date at issue of January 1, 2017 to be indicative of the subject's estimated market value and as to the 2018 sale, 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)) [emphasis added].

In support of the appeal, counsel for the appellant supplied a three-page Statement in Support of Appeal, two Section V grid analyses (one for each parcel) wherein the same three equity comparables were presented for each subject parcel along with copies of applicable property record cards and various photographs. In the brief, the subject was described as an apartment community that includes a club house and a swimming pool. It was asserted that the three comparables "have more updates and newer features than that of the Subject Property." In the brief, comparable #1 was asserted to be more visible and providing more amenities; comparable #2 was asserted to have similar rental rates but provides more amenities in the units; and comparable #3 is asserted to have a better visibility and provides more features in the units. 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."

For ease of understanding and analysis, the Property Tax Appeal Board will address the details of the combined subject property with one description of the three equity comparables presented by the appellant. The three comparables are located from 2.7 to 6.2-miles from the subject. No data on lot size of the comparables was provided by the appellant. The comparables consist of two-story buildings of frame and masonry exterior construction that range in age from 18 to 44 years old. The comparables consist of one, eight and twenty-five apartment buildings, respectively, for comparables #1, #2 and #3. There are 9, 88 and 240 one-bedroom to four-bedroom apartments. The comparables have improvement assessments ranging from \$109,958 to \$2,750,789 or from \$9,345 to \$12,218 per apartment or from \$8.26 to \$10.68 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 assessments for the subject parcels totaling \$765,960 or \$7,896 per apartment unit or \$20.60 per square foot of building area.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total combined assessments for the subject parcels of \$1,039,466. The subject parcels have a combined improvement assessment of \$963,924 or \$9,937 per apartment or \$25.92 per square foot of building area. The subject's total assessment reflects a market value of \$3,114,038 or \$32,103 per apartment unit or \$83.75 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 "income approach to be the best suited for this property value," attached a spreadsheet, and further asserted "using the sales submitted by the appellant the most recent sale of 79583 per unit or 7,719,551 for the whole property."

The income approach spreadsheet depicts each of the subject parcels with market rents of alternatively \$600 and \$750 per month and thus estimated potential rental income of either \$698,400 and \$873,000 per year. The board of review alternatively depicted vacancy and collection losses of 10%, 20% and 25%; expenses alternatively of 10%, 20% and 25%; and a consistent capitalization rate of 10%. Mathematically, the respective figures resulted in a market value for the subject ranging from \$3,928,500 to \$7,071,300. There is no data to support or explain the capitalization rate that was utilized nor for the percentages applied for vacancy and collection losses or expenses. The Property Tax Appeal Board further finds that mathematically the income approach figures presented by the board of review are each greater than the current 2018 assessments of these parcels.

In addition, on the spreadsheet, the board of review wrote in reference to the October 2018 sale price of appellant's equity comparable #3 that the subject property would have a market value of \$7,719,551 if applying this sale price of \$79,583 per apartment to the subject. In further support, the board of review provided a copy of the PTAX-203 Illinois Real Estate Transfer Declaration related to this one sale.

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

In rebuttal, counsel for the appellant provided a calculation of 2018 income and expenses for the subject property depicting a market value using a 10% capitalization rate of \$2,744,090.70, the rent roll for the property and the Appellant's 2018 IRS Form 1065 along with a summary argument contending that "evidence of real estate taxes assessed by the County against comparable properties is the best evidence of value."

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 a reduction in the subject's assessment is not warranted on grounds of overvaluation.

The parties submitted a single comparable sale that occurred in October 2018 to support their respective positions before the Property Tax Appeal Board. While the sale presented by the parties occurred proximate in time to the valuation date at issue herein, the Board recognizes that a single sale of a comparable property is insufficient to make a market value argument. In accordance with the procedural rules of the Property Tax Appeal Board 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)). As a consequence, the Board gives no weight to the single comparable sale in the record.

Based upon the appellant's evidentiary submission, the taxpayer 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 did not meet this burden of proof and a reduction in the subject's assessment is not warranted on grounds of lack of assessment uniformity.

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. The Board has given reduced weight to appellant's comparable #1 as this one apartment building with nine units is dissimilar to the subject property consisting of eight apartment buildings with 97 apartment units.

The Board finds appellant's equity comparables #2 and #3 are the best evidence of assessment equity in the record. These two comparables consisting of 8 and 25 apartment buildings that contain 88 and 240 apartment units, respectively, were relatively similar to the subject property. The comparables had improvement assessments of \$822,383 and \$2,750,789 or \$9,345 and \$11,462 per apartment unit or \$8.26 and \$10.68 per square foot of building area. The subject's improvement assessment of \$963,924 or \$9,937 per apartment or \$25.92 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 37,182 square feet as compared to these two larger comparables of 99,520 and 257,476 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 should be reduced due to lack of assessment uniformity and no reduction 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 21, 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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