



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

APPELLANT: Ahmad IL Holdings LLC Series 43
DOCKET NO.: 21-07449.001-C-1
PARCEL NO.: 06-36-202-028

The parties of record before the Property Tax Appeal Board are Ahmad IL Holdings LLC Series 43, the appellant, by attorney Patrick Keefe, of Keefe Law Firm in St. Louis; and the Jefferson 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 **Jefferson** County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$50,454
IMPR.: \$67,027
TOTAL: \$117,481

Subject only to the State multiplier as applicable.

Statement of Jurisdiction

The appellant timely filed the appeal from a decision of the Jefferson County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2021 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 one-story single tenant commercial office building built in 1975. The building has brick exterior construction and 4,828 square feet of gross building area. The interior of the subject is being remodeled and lacks completed partition walls, floor coverings, has incomplete lighting and incomplete bathroom facilities. Other elements of the property include a concrete slab foundation, forced air heating and central air conditioning, a sprinkler system and a paved parking surface. The property has an irregularly shaped lot with approximately 0.85 acre or 37,026 square feet of land area, a land-to-building ratio of 7.67:1 and is located in Mt. Vernon, Shiloh Township, Jefferson County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument the appellant submitted a narrative appraisal estimating the subject property had a market value of

\$314,000 as of January 1, 2021. The appraisal was prepared by Robert Daun, a Certified General Real Estate Appraiser.

The purpose of the appraisal was to estimate market value of the fee simple estate, in its “as is” condition as of January 1, 2021, and its intended use is to assist the client in an ad valorem tax appeal. The appraiser determined the highest and best use of the property to be its present use as a commercial property with a proposed office or medical office use. In estimating the market value of the subject property, the appraiser developed the cost and sales comparison approaches to value, along with a hypothetical lease example representing an income approach.¹

In developing the cost approach to value, the appraiser opined the subject’s site had a value of \$146,500, based on an analysis of four vacant land sales. The appraiser utilized the Marshall & Swift cost service to determine the total replacement cost of the subject improvements, assuming an “Average” quality rating, of \$331,973, physical depreciation was estimated to total \$124,490 and the cost of the “As-Is” value of the site improvements of \$40,000. Adding the land value to the depreciated replacement cost of the subject improvements, the appraiser arrived at an indicated value for the subject, under the cost approach of \$394,000, rounded.

For the sales comparison approach, the appraiser selected five comparable sales located in either Marion or Carbondale. The appraiser commented that a search for comparable properties in the subject’s immediate area did not produce a significant number of sales and therefore the search was expanded in both time and distance. The appraiser specified that no sales occurring after January 1, 2021 were utilized based on the use of the appraisal report and reminded the reader that comparable properties would be analyzed relative to the subject’s “as is” condition. The comparables have sites that range in size from 0.24 to 2.75 acres of land area and are improved with class C or class D commercial buildings that have brick, stone, vinyl or Dryvit exterior surfaces. The buildings were constructed from 1986 to 2007 and are further reported to have effective ages ranging from 5 to 20 years old. The buildings range in size from 3,090 to 8,820 square feet of gross building area and are reported to be in average, good, or average/good condition. The comparables sold from October 2017 to November 2019 for prices ranging from \$350,000 to \$1,150,000 or from \$106.25 to \$130.39 per square foot of gross building area, land included. The appraiser made quantitative adjustment to the comparables for date of sale and differences from the subject, arriving at adjusted sale prices of the comparables ranging from \$43.03 to \$97.60 per square foot of gross building area, land included and an opinion of market value for the subject, under the comparable sales approach of \$65.00 per square foot of gross building area, including land, or \$314,000, rounded.

In reconciling the approaches to value, the appraiser gave greatest weight to the sales comparison approach with secondary support being provided by the cost approach and determined the estimated market value for the subject to be \$314,000 as of January 1, 2021. Based on this evidence the appellant requested the subject’s assessment be reduced to reflect the appraised value for the subject.

¹ The appraiser prepared a lease example estimating a hypothetical net operating income for the subject of \$73,868, applied an overall capitalization rate of 14.67% and arrived at a hypothetical income value for the subject of \$503,500, which assumes the subject has 4,828 square feet of rentable area. The appraiser gave no consideration to this “income approach” in his reconciliation as it does not reflect the “as is” condition of the subject property.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$117,481. The subject's assessment reflects a market value of \$347,166 or \$71.91 per square foot of living area, land included, when using the 2021 three-year average median level of assessment for Jefferson County of 33.84% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment the board of review submitted information on eight comparable sales located from 0.03 of a mile to 1.30 miles from the subject property, all of which are located in Mt. Vernon like the subject. The comparables have sites that range in size from 0.18 of an acre to 1.42 acres of land area and have land-to-building ratios ranging from 3.68:1 to 11.05:1. The properties are improved with office buildings that range in size from 1,200 to 5,600 square feet of gross building area. The buildings were constructed from 1980 to 2006. Four of the buildings have a basement foundation with one having finished area. The comparables sold from October 2019 to March 2021 for prices ranging from \$137,000 to \$470,000 or from \$38.30 to \$100.81 per square foot of living area, land included. Based on this evidence, the board of review requested the subject's assessment be confirmed.

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.

The appellant submitted an appraisal and the board of review submitted eight comparable sales for the Board's consideration. The Board finds the comparables selected by the appraiser are located in either Marion or Carbondale, less proximate to the subject than the comparable sales presented by the board of review. The appraiser claims that a search for comparable sales in the subject's immediate market area "did not produce a significant number of sales that would be classified as exact representations as the subject and the search was then expanded in both time and distance." The Board finds the board of review comparable sales sold proximate to the lien date at issue, are similar in location to the subject and have a similar office use as the subject but none were selected by the appraiser nor have they been addressed in rebuttal by the appellant. The appraiser's failure to select any recent sales of office buildings in Mt. Vernon detracts from the credibility and reliability of the final opinion of value for the subject. As a result, the Board gives less weight to the estimated market value for the subject as presented in the appellant's appraisal. The Board shall, however, consider the raw sales data for the appraisal comparables.

The Board gives less weight to appraisal comparables #1, #2, #4 and #5 which differ from the subject in age, site size, gross building area, and/or sold less proximate to the lien date than other properties in the record. The Board gives less weight to board of review comparables #2 through #7 which differ from the subject in building area and/or foundation type.

The Board finds the best evidence of market value to be appraisal comparable #3 along with board of review comparables #1 and #8 which are more similar to the subject in gross building area and office use but have varying degrees of similarity to the subject in location, age and site size. These best comparables sold from December 2018 to March 2021 for prices ranging from \$325,000 to \$425,000 or from \$75.79 to \$106.25 per square foot of gross building area, including land. The subject's assessment reflects a market value of \$347,166 or \$71.91 per square foot of gross building area, including land, which falls within the range established by the best comparable sales in the record on an overall market value basis and below the range on a per square foot basis. After considering adjustments to the comparables for differences from the subject, 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: January 16, 2024



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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COUNTY

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