



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

APPELLANT: Michael R. Hundman Trust WTH-6
DOCKET NO.: 07-00949.001-C-3
PARCEL NO.: 14-20-427-035

The parties of record before the Property Tax Appeal Board are Michael R. Hundman Trust WTH-6, the appellant, by attorney Thomas E. Leiter, of The Leiter Group in Peoria; and the Peoria County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds a reduction in the assessment of the property as established by the Peoria County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$42,000
IMPR.: \$567,000
TOTAL: \$609,000

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of a 42-unit apartment complex made up of five buildings that are two-story, brick and frame improvements built in 2005 situated on 2.69-acres of land located in the City of Peoria Township, Peoria County.

The appellant, through counsel, appeared before the Property Tax Appeal Board claiming unequal treatment in the assessment process as the basis of the appeal. In support of this argument, the appellant submitted three suggested comparable apartment properties. These properties consist of two-story, three-story or part two-story and part three-story brick and frame properties that range in age from one to five years old. The comparables range in size from 60 to 288 apartment units. They are situated on lots ranging from 3.3-acres to 46-acres. They range in size from 59,868 to 301,968 square feet of building area and have from three to thirteen buildings. The comparables are located from 2 to 5 miles from the subject. The comparables have total assessments ranging from \$748,410 to \$3,694,490 or from \$9.22 to

\$13.46 per square foot of building area or from \$9,668.96 to \$13,726.98 per apartment unit.¹ The comparables have land assessments ranging from \$57,120 to \$909,830 or from \$17,309.09 to \$19,778.92 per acre of land area.

Doug Hanley, Property Manager for Central Illinois Properties, was called as a witness. He has worked for Central Illinois Properties for five years. Hanley oversees the Peoria staff and is involved in the financing. Prior to this, he was a commercial loan officer with CEFCU for seven years. Hanley described the subject, known as Savannah Meadows, as five buildings consisting of 42-units with a clubhouse located in the central part of Peoria. The units consist of one-bedroom, one bath and two-bedroom, two bath units. Average size was described as 850 to 900 square feet. The apartments are offered to the general public. Hanley testified that all of the appellant's comparables were similar to the subject and competed for the same residents as the subject in the high end of the apartment market. Hanley testified that the comparables have similar rents as the subject. Based on this evidence, the appellant requested a reduction in the subject's assessment.

During cross-examination, Hanley testified that the subject's two bedroom-units range in size from 960 to 990 square feet; comparable one's apartments ranged in size from 1,100 to 1,163 square feet per unit; comparable two's apartments ranged in size from 1,141 to 1,190 square feet; and comparable three's apartments ranged in size from 1,025 to 1,218 square feet. Hanley further testified that the comparables were selected based on average unit size, age and comparable rents as opposed to the size of the entire apartment complex.

The board of review submitted its "Board of Review-Notes on Appeal" where the subject's total assessment of \$957,720 was disclosed. The board of review submitted evidence in support of its assessed valuation of the subject property. Dave Ryan, Peoria County Supervisor of Assessments, testified in support of the board of review's comparable grid analysis. As evidence, the board offered four suggested comparable apartment buildings ranging in size from 9,160 to 38,424 square feet of building area. They are situated on lots ranging from 0.10-acres to 5.3-acres. The comparables were built in 1995 or 2005 and are located from two to four miles from the subject. The comparables have one or two buildings and are described as two-story or three-story apartments of brick or frame construction. The apartments have land assessments ranging from \$9,530 to \$80,690 or from \$13,614 to \$241,200 per acre. They have improvement assessments ranging from \$200,810 to \$895,730 or from \$17.78 to \$23.31 per square foot of building area or from \$23,260 to

¹ The subject and comparable #2 are reported to have a partial assessment of \$29.09 and \$12.29 per square foot of building area or \$25,813.92 and \$12,886.07 per apartment unit, respectively, when converted to a full assessment.

\$40,529 per unit.² The subject is depicted as having a land assessment of \$111,570; an improvement assessment of \$846,150; a per square foot building area assessment of \$22.43 or \$20,146 per unit. Based on this evidence, the board of review requested confirmation of the subject's assessment.

During cross-examination, Ryan admitted that the board of review's comparable #1 was also being appealed to the Property Tax Appeal Board. Ryan testified that comparable #2 actually contains 38,424 square feet of building area and is incorrectly depicted on the grid analysis as a two-story when it is actually a three-story. Ryan further acknowledged that comparable #2 had a unit size of 1,601 square feet. Ryan admitted that comparable #2 has an attached enclosed garage. Ryan was not sure if comparable #2 had a security system in place or if the property was available to the general public as an apartment building. Ryan was not aware that comparable #2 was leased to Caterpillar, Incorporated on a long-term lease. Ryan further admitted that comparable #4 had a different address than what was shown on the grid analysis. Ryan was not aware if the property was also leased to Caterpillar, Incorporated or if the property was available to the general public for rent. Ryan admitted that the property record card for comparable #4 depicted an attached garage, however he believed comparable #4 had a detached garage of 3,965 square feet. Based on a photograph, Ryan admitted comparable #4 had an attached garage. Ryan admitted that an enclosed attached garage has more value than an unenclosed detached garage. In regards to comparable #3, Ryan admitted that this property consisted of two buildings which would increase the size to 20,928 square feet of building area. Ryan admitted that the improvement assessment for comparable #3 would be corrected to \$17.79 per square foot of building area. Ryan testified that comparable #3 was available for rent to the general public; however, he admitted that an initiation fee was required. He was not aware of the terms of the initiation fee.

The witness, Doug Hanley, was recalled by the appellant to present rebuttal evidence. Hanley testified that the board of review's comparable #2 is a property that leases directly to Caterpillar and is not open to the general public. Hanley testified that it is near a golf course, has an attached garage for each unit, has an elevator and a security system. Hanley testified that the average unit size for comparable #2 is 1,600 square feet which is almost double the size of the subject's units. In addition, some of the units are furnished, unlike the subject. Hanley testified that he researched comparable #2 in the telephone book; a publication called Apartment Finder and the Peoria Journal Star and could not find the property listed as available to the general public. Hanley testified that the board

² The board of review's grid was corrected at hearing to show a per unit assessment for the subject of \$20,146 per unit; comparable #2 was corrected to \$23.31 per square foot of building area and comparable #3 was corrected to \$17.79 per square foot of building area.

of review's comparable #4 was also leased to Caterpillar, has elevators, a security system, an attached garage and is located directly on a golf course. Hanley testified that he could not find where this property was offered to the general public using the same resources described above. Hanley further testified that the board of review's comparable #3 is part of Lutheran Hillside Village, which is an assisted living and nursing center. Hanley testified that an entrance fee ranging from \$235,000 to \$245,000 is required with a monthly fee of \$942 per unit. Further, Hanley testified that residents must also pay real estate taxes from \$2,398 to \$2,834. Comparable #3 has a chapel, library, restaurant, café, private dining room, general store, game room and arts area.

After hearing the testimony and considering the evidence, the PTAB finds that it has jurisdiction over the parties and the subject matter of this appeal. The Illinois Supreme Court has held that taxpayers who object to an assessment on the basis of lack of uniformity bear the burden of proving the disparity of assessment valuations by clear and convincing evidence. Kankakee County Board of Review v. Property Tax Appeal Board, 131 Ill.2d 1 (1989). The evidence must demonstrate a consistent pattern of assessment inequities within the assessment jurisdiction. After an analysis of the assessment data, the Property Tax Appeal Board finds the appellant has met this burden.

The Board finds the evidence depicts the subject has a prorated improvement assessment of approximately 78% of its full value for the 2007 assessment year. The board of review did not refute this evidence. The Property Tax Appeal Board finds the appellant's comparables are quite similar to the subject, but with some differences in the number of apartment units to be taken into consideration. These properties have total assessments ranging from \$11,521.50 to \$13,726.98 per apartment. The subject's total assessment per apartment of \$25,813.92 is above this range of properties. After considering the differences and similarities in the suggested comparables when compared to the subject property, the Board finds the evidence submitted is sufficient to cause a reduction in the subject's assessment.

The Board gives less weight to the board of review comparables because they were dissimilar to the subject. The Board finds the appellant offered credible testimony that three of the board of review's comparables were dissimilar to the subject because they were not available to the general public or required substantial initiation fees to rent. In addition, the Board finds the board of review's comparables contained additional amenities such as attached garages, elevators and/or security systems not enjoyed by the subject, and contained substantially less units. The unrefuted evidence also depicted the board of review's comparable #3 was part of an assisted living facility and nursing center, unlike the subject. The Board finds that the differences noted above in the board of review's comparables may significantly affect the market value of each comparable and therefore are

distinguished from being similar to the subject for equity comparison purposes. The Board gave more weight to Hanley's testimony that the appellant's comparables were very similar to the subject in its appeal to the high-end apartment market. The Board finds the subject and the appellant's comparables were very similar because they competed for the same residents based on unit size, age and rent.

The Board finds the comparables located within 2 miles of the subject had land assessments ranging from approximately \$13,614 to \$19,778 per acre. The subject has a land assessment of approximately \$41,475 per acre, which is substantially above the comparables located in close proximity to the subject. Therefore, the Board finds a reduction in the subject's land assessment is warranted.

As a result of this analysis, the Property Tax Appeal Board finds that the appellant has demonstrated with clear and convincing evidence that the subject property was inequitably assessed and that a reduction in the subject's assessment is warranted based on the most similar comparables contained in this record.

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.

Ronald R. Cuit

Chairman

K. L. Fern

Member

Frank A. Huff

Member

Mario M. Louie

Member

Shawn R. Lerbis

Member

DISSENTING: _____

C E R T I F I C A T I O N

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: October 22, 2010

Allen Castrovillari

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 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 the subsequent year 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.

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.