



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

APPELLANT: Petersen Health Care III, LLC  
DOCKET NO.: 11-01406.001-R-1  
PARCEL NO.: 12-14-103-006

The parties of record before the Property Tax Appeal Board are Petersen Health Care III, LLC, the appellant, by attorney Jason M. Crowder, of The Petersen Companies in Peoria; and the Kane County Board of Review.

Based on the facts and exhibits presented, the Property Tax Appeal Board hereby finds no change in the assessment of the property as established by the **Kane** County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$ 192,029  
**IMPR.:** \$ 304,143  
**TOTAL:** \$ 496,172

Subject only to the State multiplier as applicable.

**Statement of Jurisdiction**

The appellant timely filed the appeal from a decision of the Kane County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2011 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 frame and masonry long term care facility containing 14,667 square feet of building area. The facility was constructed in 1972. The

subject features 32 patient rooms, 63 beds, a kitchen, dining room, therapy rooms and an office, and is located on 2.20 acres or 95,832 square feet of land area. The property is located in Batavia, Geneva Township, Kane County.

The appellant contends overvaluation as the basis of the appeal.<sup>1</sup> In support of this argument the appellant submitted an appraisal estimating the subject property had a market value of \$1,375,000 as of January 1, 2009; excluding furniture, fixtures and equipment.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total assessment for the subject of \$496,172. The subject's assessment reflects a market value of \$1,493,145 or \$23,700 per bed, land included, when using the 2011 three year average median level of assessment for Kane County of 32.23% as determined by the Illinois Department of Revenue.

In support of its contention of the correct assessment the board of review submitted a letter from the local assessor critiquing the cost approach and income approach to values as submitted by the appellant's appraiser. The assessor agreed with the appraiser that the cost approach was considered less reliable and therefore should be given less weight. The local assessor argued that the 2009 appraisal utilized a base capitalization rate of 10.75%, which the assessor considered too high. In support of this argument the assessor submitted current and historical capitalization rates indices from RealtyRates.com for "Healthcare Senior Housing." The survey, depicts a capitalization rate of 9.21%. The assessor further argued that a capitalization rate of 9.5% was more appropriate for a 2011 analysis, and further argued that when the correct loaded capitalization rate (11%) is applied to the subject's net operating income (\$169,946), the fair cash value of the subject would be \$1,544,963.

### 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

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<sup>1</sup> The appellant originally claimed "contention of law" based on a prior year reduction; however, no brief was submitted in support of this claim. Upon request from the Property Tax Appeal Board, the appellant submitted an appraisal.

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 Board finds the best evidence of market value to be the revised income approach to value as analyzed by the Geneva Township Assessor, Denise D. LaCure. The Board gave less weight to the estimate of value contained within the appraisal report because the valuation date was January 1, 2009 and was not updated in any manner for the January 1, 2011 assessment date at issue. The Board finds the local Geneva Township Assessor, Denise D. LaCure, properly updated the overall capitalization rate to 2011 as indicated by the "RealtyRates.com Investor Survey" 4<sup>th</sup> Quarter 2013, and applied the 2011 rate to the subject's net operating income of \$169,946 as reported by the appraiser. After applying the updated loaded overall capitalization rate of 11%, the subject was estimated to have a fair cash value of \$1,544,963. The Board finds the appellant did not refute this argument or analysis as applied by the Geneva Township Assessor. The subject's assessment reflects a market value of \$1,493,145, which is below the best evidence of market value in this record.

Based on this evidence the Board finds the appellant has not shown by a preponderance of the evidence that the subject is overvalued and 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.



Chairman



Member



Member



Member



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: January 23, 2015



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.