

## County cuts 70 pct. of appealed values

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Nobody in Ladue pays higher residential property taxes than Dennis Jones.

It's a distinction that Jones didn't want, and it put him among the owners of 10,700 properties in St. Louis County to appeal their appraisals this year as part of the biennial re-assessment.

The appeals process is now over, and Jones, a pharmaceutical mogul, is among about 7,000 residential owners who got their values reduced — nearly 70 percent of those who appealed.

While Jones is a winner, with the biggest reduction of any single-family home in the county and an \$18,000 cut in property taxes, he can still expect to pay more in taxes on his estate at 1700 South Warson Road than any other homeowner in Ladue.

Since the spring, thousands of people have tried to persuade officials to lower their property values, and, thus, their taxes.

The process of sorting through the appeals began in May with informal appeals at the county administration

building in Clayton.

It ended Aug. 28 at a former South County furniture store converted into a formal appeals center, one of two that the county operated.

The end result of all this: a 6 percent, or \$6.7 billion, drop in the value of St. Louis County's realproperty — itsland, 365,000 houses and 13,500 business structures — from 2007.

The drop is the first in the county since the Great Depression, and it's mirrored in drops

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**Biggest commercial winners** • Harran's showed drop in room rate; after glitch, Boeing got better than it asked for.

### HARRAH'S HOTEL, MARYLAND HEIGHTS

OWNER  
Harran's Maryland Heights LLC

NEW MARKET VALUE  
\$90,000,000

REDUCTION  
\$25,636,906

PERCENT CUT  
22.2



STEPHANIE S. CORDLE • scordle@post-dispatch.com

**Biggest residential winner** • Owner of 27-room mansion in Ladue blamed area's general decline, will save \$18,000.

### 1700 S. WARSON RD., LADUE

OWNER  
Dennis M. Jones

NEW MARKET VALUE  
\$8.9 million

REDUCTION  
\$1,846,316

PERCENT CUT  
17.2

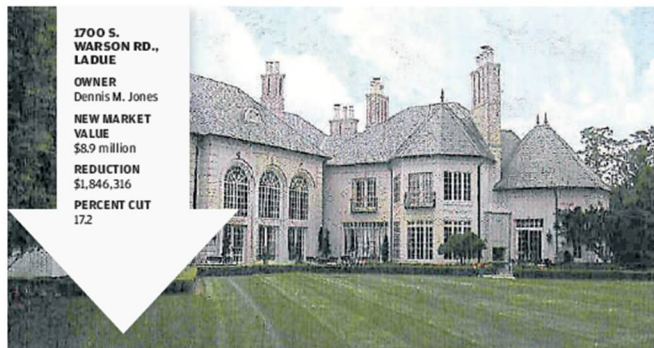


PHOTO COURTESY OF ST. LOUIS COUNTY

### BOEING AIRCRAFT FACTORY

OWNER  
North County — Boeing Corp.

NEW MARKET VALUE  
\$19,925,800

REDUCTION  
\$14,701,094

PERCENT CUT  
42.4



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# PROPERTY • FROM A1

End result of appeals: a 6 percent, or \$6.7 billion, drop in value of St. Louis County's real property

in the city of St. Louis and St. Charles County. Jefferson County reported a slight rise, and values in the Metro East won't be available until the end of the year.

## A MATTER OF STRATEGY

In the spring, the county informed Jones that it had appraised his house at \$10.7 million — about \$200,000 less than the 2007 appraisal.

Jones, who paid \$107,000 in property taxes last year, contacted an old acquaintance, Ernie Demba, whose Ballwin company specializes in appraisals.

"Dennis called me and said, 'I'm tired of being the county's highest taxpayer,'" Demba said. "I told him I would do the best I could."

In appealing, most owners accentuate the negative about their property — peeling paint, cracked concrete, leaky basements.

That approach would not work in Jones' case.

"He has a nice house. No argument about that," Demba said.

Indeed, the 30,000-square-foot mansion is made of marble and limestone and topped with a slate roof. It has 27 rooms, 17 fireplaces, nine bedrooms, 10 full baths, and a pool house with a full bath.

The house has a bowling alley, a racquetball court, a hair salon, a movie theater with 16 tiered seats, and a 4,000-bottle wine cellar.

In the appeal, Demba argued that the very quality of Jones' house worked against its value.

"Being overimproved essentially has damaged the value and marketability of the subject property," the report states. "The appraisers would ask who is capable of purchasing subject and who would purchase subject."

Complicit in Jones' dilemma, the report asserts, is the entire St. Louis area, which he portrays in the report as a place unfit for most executives.

"For the past two decades, the St. Louis region has been losing more top companies and world headquarters than it has been able to attract," the report said. "Having an airport that has diminished and no longer operates as a major hub hurts any chance of luring executives to the St. Louis area. There is no market for top-level executives.

"This is not a destination, or recreation location. There is no large lake or ocean!"

Jones could not be reached for comment.

Demba, 63, clarified his remarks in an interview last week. He actually likes St. Louis and so, he said, does Jones.

"I've lived here my whole life," Demba said. "I'm a proponent of St. Louis. And Dennis is, too. And I think it's a credit to St. Louis that he has stayed here. So, let's not tax him away!"

As successful appeals go, Jones' followed a typical trajectory. The county estimated the house to be worth \$10.7 million. Jones countered with \$6 million. The parties settled at \$8.9 million.

"I did get his value lowered," Demba said. "But he's still the top taxpayer."

The second biggest drop, dollar-wise, went to Curtis and Amy Francois, who appealed the county's \$4.4 million appraisal of their home completed in July at 2110 South Warson Road in Ladue.

The couple could not be reached for comment. However, appeals records show that they took a tack that county officials

## BIGGEST RESIDENTIAL REDUCTIONS

ADDRESS/OWNER	NEW MARKET VALUE	REDUCTION	%CUT
1700 S. Warson Rd., Ladue Dennis M. Jones	\$8.9 million	\$1,846,316	17.2
2110 S. Warson Rd. Curtis and Amy S. Francois	\$3,361,500	\$1,065,895	24.1
16901 Todd Evan Trail*, Chesterfield Flower Homes Inc.	\$375,400	\$865,316	69.7
16917 Todd Evan Trail* Flower Homes Inc.	\$375,400	\$816,526	73
1 Ladue Ln., Ladue W. Grant Williams III	\$2,263,800	\$624,474	21.6
37 Huntleigh Woods Dr., Huntleigh Steve A. and Patricia M. Noles	\$2,850,000	\$605,316	17.5
1 Forest Ridge Pl., Clayton Amy M. Koman	\$2,387,400	\$566,947	19.2
456 S. McKnight Rd., Ladue Paul and Terry Warner	\$1,600,000	\$564,737	26.1
12 Brentmoor Park, Clayton Robert Adam Margulis	\$1,151,500	\$540,105	31.9
387 Larimore Valley Dr., Wildwood Timothy G. and Debbie Dolan	\$1,450,000	\$524,895	26.6

Source: Board of Equalization, St. Louis County

\* Both houses are vacant; the values are only for the lots they occupy.

## BIGGEST COMMERCIAL REDUCTIONS

FACILITY/OWNER	NEW MARKET VALUE	REDUCTION	%CUT
Harrah's hotel, Maryland Heights Harrah's Maryland Heights LLC	\$90,000,000	\$25,636,906	22.2
Boeing aircraft factory, North County — Boeing Corp.	\$19,925,800	\$14,701,094	42.4
Maritz high-rise office building, South County — Maritz Inc.	\$43,000,000	\$10,038,406	18.9
Water plant, Maryland Heights St. Louis County Water Co.	\$3,637,500	\$10,000,000	73.3
Ramada Hotel, 4545 N. Lindbergh, Bridgeton — Arbor Commercial Mortgage	\$2,850,000	\$9,714,813	73.3
Warehouse, 2171 Hitzert Court, Fenton — Hitzert Properties	\$13,175,000	\$9,384,406	41.6
Northwest Plaza, St. Ann, Northwest Plaza LLC	\$22,808,000	\$8,996,813	28.2
Crestwood Court, Crestwood Ag Cp Crestwood Retail Owner LLC	\$15,000,000	\$7,349,281	32.9
Warehouse, 305 Rock Ind. Pk. Drive, Bridgeton — Rock Corp.	\$11,580,000	\$7,007,813	37.7
Warehouse, 13330 Lakefront Dr., Earth City — Lakefront Corp.	\$17,300,000	\$6,779,406	28.2

Source: Board of Equalization, St. Louis County

## PROPERTY VALUES

	2007 value	2009 value	Change
St. Louis County	\$109.9 billion	\$103.2 billion	-6.1%
St. Louis	\$15 billion	\$14.2 billion	-5.3%
St. Charles County	\$29.9 billion	\$29.5 billion	-1.5%
Jefferson County	\$9.5 billion	\$10 billion	5.2%

(Because of rounding, some percentages do not precisely compute.)

often advise homeowners to use in appeals — they presented construction receipts.

The Francois supplied records indicating that they had spent about \$2.8 million to build the house, and \$641,000 to purchase the land.

They sought a value of \$3,350,000. The county gave them a post-appeal appraisal of \$3,361,000.

## COMMERCIAL SITES

On the commercial side, values are dependent not on projected sales prices, but on the revenue the property is expected to produce.

The recession's severe credit crunch and business slowdown greatly crimped the value of these properties, several agents for appealing property owners said.

Five thousand commercial property assessments were appealed, and reductions were made on about 2,900.

The big winners on appeal were Harrah's and Boeing.

Harrah's got the appraised value of its hotel in Earth City reduced 22 percent, to \$90 million.

Boeing got the value of its factory in north St. Louis County cut by 42 percent, to \$20 mil-

lion.

In the case of Boeing's factory at 5621 James S. McDonnell Boulevard, the company made out even better than it had requested.

The county originally set the property's value at \$35 million, more than double what it was determined to be worth just two years ago. (County officials later said they had made an error in coding that caused an unexpected spike in value.)

In Boeing's appeal, it asked the county to set the property's value at \$21 million. The Board of Equalization went \$1 million better for Boeing, dropping the value to \$20 million.

When asked why the county would go even lower than Boeing had requested, county spokeswoman Martina Price said, "We felt that figure was in line with the value of the property."

Harrah's appealed the county's \$116 million appraisal of its hotel, saying it was really worth \$77 million.

The settlement after appeal came to \$90 million, saving Harrah's \$607,000 a year in taxes.

In its appeal, the hotel presented records showing a steady decline in the average daily rate of hotel rooms, from \$91.85 in

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January 2008 to \$81.83 in December.

Joseph C. Sansone Co., a nationwide firm based in Chesterfield, handled Harrah's appeal.

Joe Sansone, the company's president, would not comment on the appeal but said declining revenue had caused drops in the value of businesses nationwide.

"If you think St. Louis is bad, you should see New York, or downtown Philadelphia," said Sansone, the former assessor for the city of St. Louis who went into private practice 35 years ago. "There are entire floors of office buildings there that are vacant as the result of the recession."

Sansone said, however, that the market was bouncing back.

"It's cyclical. The commercial market was this bad, if not worse, in the '80s. No need to panic," he said.

Harrah's gain amounted to a \$321,000 loss in tax revenue for the Pattonville School District.

Overall, Pattonville saw a drop of \$2.7 million in property tax revenue this year.

But the district's chief financial officer, Ron Orr, said Pattonville would make up lost revenue by raising tax rates in future years.

"We saw this decline coming several years ago and had already made \$2 million in cuts to the budget," Orr said.

He said most of the savings came through attrition, as 11 staff members retired or left the district. Those reductions, and others over the years, will protect staff pay raises of 4.25 percent the next two years, Orr said.

## ON THE SMALLER SIDE

Among the losers on appeal was Barbara Vires, whose efforts to get her property value lowered were chronicled in a Post-Dispatch story in August.

Vires, 77, is a retired schoolteacher and widow who lives in South County. She appealed after learning that her home was the only one of 34 in her subdivision that was not reduced in value.

The appraisal of her home rose 27 percent, to \$184,500, from \$145,600 in 2007.

Two days after appearing before the county's Board of Equalization, at which she was threatened with arrest after refusing to leave the premises, Vires suffered a stroke.

While recovering in the hospital, Vires was notified that the county had rejected her appeal.

The higher appraisal will cost Vires an additional \$561 in property taxes this year compared to last, when she paid \$1,635.

Vires said she still has one card left to play — an appeal before the State Tax Commission, an option chosen by about 3,500 county residents in appeal years.

"I think it's become personal with the county, and they rejected my appeal because I was so persistent in pursuing it," Vires said. "I complained to the point where they resent me, and this is how they show it."

Kevin Crowe, Mark Schlinkmann and Jake Wagman of the Post-Dispatch contributed to this report.