



STATE TAX COMMISSION OF MISSOURI

JVM LANDING APARTMENTS LLC,	)	
	)	
Complainant,	)	
	)	Appeal No. 23-32020 & 23-32021
v.	)	
	)	Parcels: 17204000200602 &
TRACY BALDWIN, ASSESSOR,	)	17204000200603
CLAY COUNTY, MISSOURI,	)	
	)	
Respondent.	)	

DECISION AND ORDER

JVM Landing Apartments, LLC, (Complainant), appeals the Clay County Board of Equalization's (BOE) decision finding the subject property's market value was \$37,675,700 for appeal 23-32020 and \$24,727,100 for appeal 23-32021 as of January 1, 2023, for a total residential value of \$62,402,800. Complainant is represented by counsel, Chris M. Mattix. Respondent is represented by counsel, Lucas Wallingford. An Evidentiary Hearing was held in this matter on June 24, 2026, via WebEx before Todd D. Wilson, Senior Hearing Officer. Complainant produced substantial and persuasive evidence of overvaluation. The BOE decision is Set Aside. The true value in money (TVM) of the subject real property as of January 1, 2023, was \$35,200,000 for appeal 23-32020 and \$23,000,000 for appeal 23-32021 for a total residential value of \$58,200,000.

Factual Background

1. The Subject Property. These appeals involve an upscale residential apartment complex located at 1601 NW 38th St., Kansas City, Clay County, Missouri. There are two parcels,

17204000200602 & 1724000200603 and approximately 13.5 acres of land. The improvements on the property were built in 2014 and consist of nine, 4 story apartment buildings, and a clubhouse. There are 340 total units; 200 1 bed/1 bath units and 140 2 bed/2bath units with an average unit size of 974 square feet. The apartments are advertised as luxury apartments with amenities such as granite counter tops, custom cabinetry, wood style flooring with many exterior community amenities such as a resort style swimming pool with sundeck, grilling stations, and a full service fitness center.

2. Assessment and Valuation. The Assessor classified the subject properties as residential and having true value in money (TVM) in the amounts of \$38,675,700 and \$24,727,100, respectively, as of January 1, 2023. The BOE classified the subject properties as Residential with TVM of \$37,675,700 and \$24,727,100, respectively, as of January 1, 2023.

3. Complainant's Evidence. Complainant introduced the following Exhibits, all of which were received without objection:

Exhibit	Description
A	Rent Roll for 2020
B	Rent Roll for 2021
C	Rent Roll for 2022
D	Rent Roll for 2023
E	Income & Expense for 2020
F	Income & Expense for 2021
G	Income & Expense for 2022
H	JVM Construction Plan
I	Appraisal Report
J	WDT of Troy Smith
K	WDT of Heather Sapp

Complainant presented the testimony of Heather Sapp, the property manager of the apartment complex. Ms. Sapp identified Exhibits A through H. Ms. Sapp stated that in the advertisement for the property, its location near downtown Kansas City and its luxury amenities such as the fitness center, large pool, dog park, dog wash, etc. are listed. Ms. Sapp stated that

there are other, newer, properties that have newer amenities, but the subject property's amenities are competitive for luxury apartments in the area.

Complainant presented the testimony of Troy Smith. Mr. Smith has been an appraiser for almost 35 years and has an MAI designation. Exhibit I is the appraisal report he prepared. In his appraisal report, Mr. Smith developed the income and sales comparison approaches to value. Mr. Smith did not develop the cost approach as he stated that it is not something investors would rely upon and this was not a new complex and was not unique.

Mr. Smith developed the sales comparison approach using the sale of four properties in the Kansas City Metro area that were also apartment complexes, (Exhibit I page 21 of appraisal, page 41 of pdf file). Adjustments were made for average size to two of the sales in which the average size of the unit exceeded 1,000 square feet and one property was adjusted downward because it was built in 2021, therefore, had more updated features. The final value from the Sales Comparison approach was \$61,200,000 as set out on page 25 of the appraisal, page 45 of the pdf file.

Mr. Smith reviewed the rent roll and the income and expenses of the property for the 3 years prior to 2023. Mr. Smith then used this information to predict future income and costs in the income approach. Mr. Smith used the same four sales that he had used in the Comparable Sales analysis to derive a capitalization rate of 5.75%. Mr. Smith also used the band of investment technique and the debt coverage ratio method to derive capitalization rates that ranged from 5.54% to 6.04%. In the end, he used 5.75% and then loaded it with 1.59% for the real estate taxes for an effective cap rate of 7.34%. Mr. Smith testified that his observation and analysis of cap rates during the period of time from 2021 to 2023 was that the cap rates were increasing as the mortgage rates were increasing. Mr. Smith stated that the main difference between his valuation and the county's valuation was because of the cap rate. The county used a cap rate of 4.25%,

loaded with 1.75% for real estate taxes for a total of 6.00%. Mr. Smith stated that based upon his analysis, the cap rate used by the county was not supported.

Mr. Smith derived an effective gross income (EGI) of \$5,933,317 and projected net operating income (NOI) of \$4,391,151, (Exhibit I, page 38, page 58 of pdf). The county in Exhibit 1, page 38 derived EGI of \$6,158,006 and NOI of \$4,002,704. Based upon the projected NOI and the cap rate derived, Mr. Smith gave a final rounded value according to the Income approach of \$59,800,000, (Exhibit I, page 41, page 61 of pdf). The value derived from the Income approach was relied upon primarily for the value of the property of \$60,000,000. Mr. Smith then estimated the Furniture, Fixtures and Equipment (FF&E) which is personal property and not properly included in the value of land and improvements, to be 3% of the value, reducing the value of the land and improvements to \$58,200,000.

4. Respondent's Evidence. Respondent submitted Exhibit 1, a valuation summary report completed by Mike Jacoby of the subject property, Exhibit 2, Comparable Amenities, and the WDT of Mike Jacoby, which was marked as Exhibit 3 by the Hearing Officer. The Exhibits were received without objection.

Respondent presented the testimony of Mike Jacoby. Mr. Jacoby has been working in assessment valuation since 2006 and created Exhibit 1, the valuation report of the subject property. Mr. Jacoby testified that Clay County is a non-disclosure county, meaning that there is not a county ordinance as there are in some of the larger counties that require the parties to a sale of real estate to disclose the sale price. Without that information, the county assessment department relies upon questionnaires that are returned, CoStar, Real Estate databases and TREP database for information pertinent for valuing properties.

Mr. Jacoby stated that it has been the observation of the Assessor's Office in Clay County that prices of apartment complexes in Clay County were going up and the cap rate was coming down

during the period of time from 2021 to 2023. When pressed on this statement, Mr. Jacoby admitted that as a non-disclosure county, he could not identify a particular source of this information.

Mr. Jacoby used four land sales as set out on Page 18 of Exhibit 1 to value the land without improvement. The results were from \$2.85 to \$5.63 per square foot with a mean of \$3.88 and median of \$3.38. Mr. Jacoby then did a cost analysis as set out on Page 27 of Exhibit 1 that resulted in a value, after depreciation of \$68,829,248.

On page 28 of Exhibit 1, Mr. Jacoby set out a Sales Comparison approach to value using three other properties. In doing this, Mr. Jacoby arrived at unadjusted comparable sales values per unit from \$242,300 to \$307,700. Mr. Jacoby adjusted the sales for time at a rate of +4% annually to arrive at a sales average unit price of \$292,600 on page 33 of Exhibit 1. The process used by Mr. Jacoby did not create a grid for adjustments, but rather worked out an average price. The cap rates that Mr. Jacoby derived from these three sales ranged from 4.19% to 4.50%. On cross-examination, Mr. Jacoby was asked to explain the Apartment Matrix on Page 36 of Exhibit 1, specifically, since the subject property was considered an A rated property for investment, why the applicable cap rate for A rated properties, which is 4.75% was not used, rather a cap rate that was not on the matrix, 4.25% was used. Mr. Jacoby stated that the Matrix is a guideline for the entirety of the county, but he also had to consider other factors like Miscellaneous Income, Vacancy, etc. when assigning a cap rate to a valuation report. When asked if he may have eliminated 5 star properties on CoStar that had high cap rates if he did not think they were comparable, Mr. Jacoby stated that he may have, but was unsure as the search and report were done a long time ago. Mr. Jacoby used 1% of the value as an estimate of FF&E. Mr. Jacoby's final value is set out on Page 35 of Exhibit 1 at \$63,402,800.

5. Value. The true value in money (TVM) of the subject real property as of January 1, 2023, was \$35,200,000 for appeal 23-32020 and \$23,000,000 for appeal 23-32021.

CONCLUSIONS OF LAW

1. Assessment and Valuation. Residential real property is assessed at 19% of its TVM as of January 1 of each odd-numbered year. Section 137.115.5(1)(a). The TVM is "the fair market value of the property on the valuation date[.]" *Snider v. Casino Aztar/Aztar Mo. Gaming Corp.*, 156 S.W.3d 341, 346 (Mo. banc 2005) (internal quotation omitted). The fair market value is "the price which the property would bring from a willing buyer when offered for sale by a willing seller." *Mo. Baptist Children's Home v. State Tax Comm'n*, 867 S.W.2d 510, 512 (Mo. banc 1993). "True value in money is defined in terms of value in exchange not value in use." *Tibbs v. Poplar Bluff Assocs. I, L.P.*, 599 S.W.3d 1, 7 (Mo. App. S.D. 2020) (internal quotation omitted). "Determining the true value in money is an issue of fact for the STC." *Cohen v. Bushmeyer*, 251 S.W.3d 345, 348 (Mo. App. E.D. 2008).

2. Method of Valuing Property. "For purposes of levying property taxes, the value of real property is typically determined using one or more of three generally accepted approaches." *Snider*, 156 S.W.3d at 346. The three generally accepted approaches are the cost approach, the income approach, and the comparable sales approach. *Id.* at 346-48.

3. Evidence. The hearing officer is the finder of fact and determines the credibility and weight of the evidence. *Kelly v. Mo. Dep't of Soc. Servs., Family Support Div.*, 456 S.W.3d 107, 111 (Mo. App. W.D. 2015). "Although technical rules of evidence are not controlling in administrative hearings, fundamental rules of evidence are applicable." *Mo. Church of Scientology v. State Tax Comm'n*, 560 S.W.2d 837, 839 (Mo. banc 1977).

4. Complainant's Burden of Proof. The taxpayer bears the burden of proof and must show by a preponderance of the evidence that the property was overvalued. *Westwood P'ship v. Gogarty*, 103 S.W.3d 152, 161 (Mo. App. E.D. 2003). The BOE value is presumptively

correct. *Tibbs*, 599 S.W.3d at 7. The "taxpayer may rebut this presumption by presenting substantial and persuasive evidence that the valuation is erroneous." *Id.* (internal quotation omitted). The taxpayer also must prove "the value that should have been placed on the property." *Id.* "Substantial evidence is that evidence which, if true, has probative force upon the issues, and from which the trier of fact can reasonably decide the case on the fact issues." *Savage v. State Tax Comm'n*, 722 S.W.2d 72, 77 (Mo. banc 1986) (internal quotation omitted). Evidence is persuasive when it has "sufficient weight and probative value to convince the trier of fact." *Daly v. P.D. George Co.*, 77 S.W.3d 645, 651 (Mo. App. E.D. 2002); *see also White v. Dir. of Revenue*, 321 S.W.3d 298, 305 (Mo. banc 2010) (noting the burden of persuasion is the "party's duty to convince the factfinder to view the facts in a way that favors that party").

5. Complainant Produced Substantial and Persuasive Evidence of Overvaluation.

Complainant, through the appraisal report and testimony of Troy Smith, produced substantial and persuasive evidence of overvaluation. Mr. Smith's appraisal went through the actual income and expenses of the property to develop the income approach. Mr. Smith used properties that were very similar to the subject for the sales comparison approach. Mr. Smith went through three different methods of calculation to determine a reasonable capitalization rate, all of which were similar in their outcome, tending to increase the credibility of the cap rate used by Mr. Smith. The difference in cap rate used was the main difference in the valuation between the reports of Mr. Smith and Mr. Jacoby.

The information provided by Mr. Jacoby on behalf of the Respondent was more general in nature, not focused specifically on this property or on particular properties that were adjusted in comparison to the subject property. Assessors in non-disclosure counties have a difficult task to value the property without knowing what the actual sales prices of properties in the county have been. In this matter, the evidence presented by Complainant was more persuasive than the evidence

presented by Respondent.

CONCLUSION AND ORDER

The BOE's decision is Set Aside. The true value in money (TVM) of the subject real property as of January 1, 2023, was \$35,200,000 for appeal 23-32020 and \$23,000,000 for appeal 23-32021. The Assessed values are, therefore, \$6,688,000 and \$4,370,000, respectively.

Application for Review

A party may file an application for review of this decision within 30 days of the mailing date set forth in the certificate of service for this decision. The application "shall contain specific detailed grounds upon which it is claimed the decision is erroneous." Section 138.432. The application must be in writing, and may be mailed to the State Tax Commission of Missouri, P.O. Box 146, Jefferson City, MO 65102-0146, or emailed to Legal@stc.mo.gov. A copy of the application must be sent to each person listed below in the certificate of service. *Failure to state specific facts or law upon which the application for review is based will result in summary denial.* Section 138.432.

Disputed Taxes

The Collector of Clay County, and the collectors of all affected political subdivisions therein, shall continue to hold the disputed taxes pending the possible filing of an application for review, unless the disputed taxes have been disbursed pursuant to a court order under the provisions of section 139.031.

SO ORDERED August 20th, 2026.

STATE TAX COMMISSION OF MISSOURI

Todd D. Wilson
Senior Hearing Officer

Certificate of Service

I hereby certify that a copy of the foregoing has been electronically mailed and/or sent by U.S. Mail on August 21st, 2026, to: Complainant(s) and/or Counsel for Complainant(s), the County Assessor and/or Counsel for Respondent and County Collector.

Stacy M. Ingle
Legal Assistant