



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

APPELLANT: Lord & Taylor-Woodfield
DOCKET NO.: 07-29373.001-C-3
PARCEL NO.: 07-13-200-034-0000

The parties of record before the Property Tax Appeal Board are Lord & Taylor-Woodfield, the appellant, by attorney Gregory J. Lafakis, of Verros, Lafakis & Berkshire, P.C. in Chicago; the Cook County Board of Review by assistant state's attorney John Coyne with the Cook County State's Attorneys office in Chicago; as well as the intervenors, Palatine T.H.S.D. #211 and Schaumburg C.C.S.D. #54, both by attorney Michael J. Hernandez of Franczek Radelet P.C. in Chicago.

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 Cook County Board of Review is warranted. The correct assessed valuation of the property is:

LAND: \$ 1,336,863
IMPR.: \$ 1,779,137
TOTAL: \$ 3,116,000

Subject only to the State multiplier as applicable.

ANALYSIS

The subject property consists of 281,445 square feet of land improved with an 11-year old, two-story, single-tenant, anchor department store of masonry construction located in a super-regional shopping mall, specifically Woodfield Mall, located in Schaumburg. The retail store contains 130,872 square feet of building area and is owner-occupied.

At the commencement of this hearing, the Board finds that the 2007 and 2008 appeals involve common issues of law and fact and a consolidation of these appeals for hearing purposes would not prejudice the rights of the parties. Therefore, pursuant to

Section 1910.78 of the *rules of the Property Tax Appeal Board (86 Ill.Admin.Code 1910.78)*, the Board consolidated the above appeals solely for hearing purposes, while noting that distinct decisions would be rendered in each appeal year.

As to the basis of this appeal, the appellant argued that the fair market value of the subject is not accurately reflected in its assessed value.

As to the overvaluation argument, the appellant's pleadings included a copy of a summary report of a complete appraisal undertaken by appraiser, Joseph Ryan. The Ryan appraisal addressed two of the three traditional approaches to value, while opining an estimated market value of \$8,200,000 as of the effective date of January 1, 2007. This appraisal was identified for the record as Appellant's Exhibit #2.

Ryan testified that he has been an appraiser for over 25 years after beginning his work career with the county assessor's office in 1980. He indicated that he holds the designation of Member of the Appraisal Institute (MAI) as well as real estate appraisal licenses in Illinois, Indiana and Michigan. In addition, he stated that he was the chief deputy commissioner at the Cook County board of review from 1983 through 1984. Further, Ryan stated that as of the date of this appraisal of the subject property he had completed approximately 100 appraisals of anchor department stores associated with regional malls.

Ryan was offered as an expert in real estate valuation of anchor department stores and in the valuation of the subject property without objection from the board of review. The intervenors objected, while requesting additional voir dire as well as asking for judicial notice regarding the Board's decision relating to a Von Maur property, specifically docket #05-23287-C-3. A courtesy copy of this decision was admitted into evidence and marked for identification as Intervenors Exhibit #2. During additional voir dire, the appellant also requested that the Board take judicial notice of the Board's decision regarding the subject property in tax year 2006, specifically docket #06-26866-C-3. In support thereof, the appellant's submitted a courtesy copy of that decision marked for identification as Appellant's Exhibit #1. After voir dire, the Board accepted Ryan as an expert in the valuation of anchor department stores as well as the subject.

Ryan stated that he undertook an interior and exterior inspection of the subject, on December 20, 2007. He stated that he also conducted a subsequent appraisal with an effective date of 2010. The appraisal stated that the majority of the building is utilized as open retail sales area.

Ryan testified that the subject's site contained 281,445 square feet with a land-to-building ratio of 2.15:1 and an overall effective age of 10 years. The subject property is improved with a two-story, masonry, commercial, retail building with 130,872 square feet. The structure is an owner-occupied, single-tenant, anchor department store attached to a super-regional shopping mall. He stated that the purpose of this appraisal is to estimate the market value of the fee simple estate of the subject property and that the subject is an anchor tenant in a desirable shopping center.

Overall, Ryan testified at length regarding the subject property, retail industry trends, the subject's environs, the definitions of anchor stores and in-line stores, and the definition of a super-regional mall. Specifically, he testified that the original super-regional mall is now obsolete by industry standards and that the mall concept as configured is losing market share to stand alone and life-style retail concepts. Ryan's appraisal also stated that the cost approach was inapplicable because his research indicated that the retail industry does not rely on the cost approach in making investment decisions. He testified regarding the various trends in the retail industry while also including definitions of anchor store, department store, discount department stores, category killers and big box stores which he stated were obtained from the Dictionary of Shopping Center Terms.

The Ryan appraisal addressed two of the three traditional approaches to value in developing the subject's market value estimate. The income approach reflected a value of \$7,925,000, rounded, and the sales comparison approach indicated a value of \$8,200,000, rounded. In reconciling these approaches to value, Ryan placed primary reliance on the sales comparison approach to reflect his final value of \$8,200,000 for the subject.

Ryan's appraisal stated that the subject's anchor department store was located in a super-regional mall and that data of sales and rentals of anchor department stores across the Midwest were considered because such data indicated a trend of sales and rentals applicable to estimating a value for the subject. Ryan testified that previously there was a special relationship between anchor department stores and the developers of malls

while stating that the retail industry thinks that an anchor department store generates traffic and developers require traffic to enhance the value of their inline stores. However, he stated that this thought process has varied because most customers prefer to park near the retailer of their choosing in order to shop, while not walking through an entire mall area to reach a retailer. In addition, he also stated that he had observed a decline in sales per square foot at anchor department stores prior to 2006, which he undertook to mean that the market was changing. Specifically, he indicated that retail sales were increasing, but that anchor department store sales were decreasing. He stated that there were no significant changes in the retail market between January 1, 2007 and January 1, 2008. Also, he indicated that anchor department stores and regional malls in general are not being constructed anymore with the market moving toward development of freestanding, big box stores and power centers with big box stores.

Moreover, he stated that market participants in the retail industry do not rely on the cost approach in making investment decisions. He opined that such investment decisions are based on store sales volume and not the real estate business.

As to the highest and best use analysis, Ryan testified that the property's highest and best use as if vacant was for development of a similar commercial, retail structure, while its highest and best use as improved was its current use as an anchor-type, commercial retail building.

As to the subject's area and market, Ryan previously testified that due to the effects of new trends in retailing, the Chicago retail market has undergone significant changes in the past years and that from a real estate standpoint, the increased competition from large superstores, power centers, and free-standing, big box stores will most likely cause an unstable period for closely held specialty stores which are experiencing a decline in sales volume. He explained that power centers contain non-traditional anchor store tenants, while category killers are retailers that sell only one product line.

As to the subject's history, Ryan stated that the property sold in October, 2006, for \$6,441,354 or \$49.22 per square foot. He indicated that this sale was part of a bulk transfer where NRDC purchased all of the Lord & Taylor stores, inventory, and other intangible assets. Therefore, this sale was not considered an arm's length transaction. As to the subject's mall, he stated that there were four other anchor department stores located in

the subject's mall, which overall contained 2,227,000 gross leasable square feet.

Under the income approach, Ryan analyzed six rental comparables located in Illinois, Ohio, Kentucky, and Michigan as well as one asking rental. Ryan testified that all of the rentals were anchor stores in shopping centers and that the six comparables range in size from 93,957 to 297,000 square feet. The commencement dates on the leases ranged from 2000 to 2008 with lease terms from five to 30 years. The rents ranged from \$2.00 to \$4.25 per square foot, triple net, or rent based on 1% or 2.5% of sales. Ryan testified that after consideration of the data and adjustments for age, condition, utility and location, he estimated rent for the subject of \$6.00 net per square foot.

In addition, Ryan reviewed *Dollars & Cents of Shopping Centers, 2006* to estimate a lease for the subject based upon gross median sales for department stores and national chain department stores in super-regional malls. Ryan indicated that he also reviewed the actual sales of the subject, which reflects a decrease since 2000 from \$270.00 per square foot to \$175.00 per square foot. On this point, Ryan elaborated on super-regional median sales per square foot from various regions.

The appraisal estimated the potential gross income (PGI) at \$785,232 or \$6.00 per square foot. Ryan estimated vacancy and collection loss (V&C) of 1.0%. Deducting V&C resulted in an effective gross income (EGI) of \$777,380 for the subject. He noted actual expenses at \$24,866. Deducting expenses resulted in a net operating income (NOI) of \$752,514 for the subject.

To estimate the capitalization rate, Ryan undertook the direct capitalization technique and the band of investment technique, which resulted in overall capitalization rates of 9.5% and 9.4%, respectively. Ryan estimated a capitalization rate of 9.50% for the subject. Dividing the NOI by the appraiser's total capitalization rate resulted in an indicated value for the subject of \$7,925,000, rounded.

Under the sales comparison approach, Ryan testified he analyzed 13 sale properties located in the Midwest. The properties are anchor department stores located in Illinois, Michigan, Colorado and Ohio. The properties consist of anchor department store buildings in regional malls. Ryan testified that he used sales within the Midwest because, after discussions with representatives in the department store field, there are three markets for department stores: the East Coast, the West Coast,

and between the Appalachians and the Rocky Mountains. Ryan testified that there was a limited amount of anchor department store sales located in the Chicago market, which is why he expanded his search area for data. He opined it was easier to make adjustments between anchor department stores because they have similar characteristics than different types of stores in closer proximity to the subject. He also noted that the subject's site in Woodfield Mall was in a highly competitive market and that some other sales may not have quite the competition that Woodfield faces. Nevertheless, he stated that he was able to make qualitative adjustments for this market factor and for the conditions of the sales as well as other pertinent factors which he identified. Further, he stated by using comparable sales that are anchor department stores in regional malls which are also two-story buildings; this eliminates the need for additional difficult adjustments if using a big-box store or category-killer stores.

Ryan's grid analysis of anchor department stores located within a Midwest market area reflected comparables that ranged in building size from 94,341 to 254,720 square feet of building area and in land size from 56,192 to 635,288 square feet. They ranged in land-to-building ratios from 0.27:1 to 3.65:1 and in improvement age from 5 to 30 years. The comparables sold from January, 2000, to April, 2006, for prices ranging from \$2,750,000 to \$10,215,000, or from \$20.09 to \$50.07 per square foot of building area, including land.

Ryan credibly described each sale transaction and location in detail. In addition, he testified that all of the sales were of anchor department stores located in a mall and within a two-story building. He also indicated that he had personally inspected these sale properties and verified the sales data with a party to each transaction.

As to market conditions for these sales, the appraisal noted that anchor department stores typically trade between those department store owners or mall developers who are acutely aware of the value of these retail units. However, market conditions have not kept pace with other retail segments due to consolidation within the industry and department stores lack of appeal to the under 35-year old generation of shoppers.

Ryan testified, after adjustments, he reconciled the subject at \$62.50 per square foot of building area, including land which reflects an estimated market value for the subject of \$8,200,000, rounded.

In reconciling the two approaches to value, Ryan testified he accorded primary weight to the sales comparison approach to value as the subject is an owner occupied, single-tenant anchor department store with no rental history. The appraiser testified he gave some weight to the income capitalization approach to value. Therefore, he concluded a final estimate of value for the subject of \$8,200,000. Further, Ryan testified that there were no physical changes in the subject or its value between January 1, 2007 and January 1, 2008.

Under cross examination, Ryan testified regarding factors applicable to his improved sale and rental comparables including his adjustments thereto which were confirmed on re-direct questioning. He also confirmed that at the time of sale, each comparable property was being used as an anchor department store.

The board of review submitted its "Board of Review Notes on Appeal" wherein the subject's total assessment of \$5,324,817 was disclosed. This assessment reflects a fair market value of \$14,012,675 or \$108.25 per square foot when the Cook County Real Property Assessment Classification Ordinance level of assessments of 38% for Class 5A commercial property is applied.

In support of this market value, the notes included a memorandum referencing raw, unadjusted data on seven suggested sale properties. The notes also mentioned a Quit Claim Deed executed in October, 2006, for \$6,441,354 or \$49.76 per square foot for the subject. At hearing, the board of review did not call any witness and rested its case upon its written evidence submissions.

In support of the intervenor's position, the intervenor submitted a complete, summary appraisal of the subject prepared by Eric Dost with an effective date of January 1, 2007 and an estimated market value of \$14,500,000. Mr. Dost testified that he is a general real estate appraiser in five states since 1992 and that he holds the designation of MAI since 1993. He indicated that he has completed 2,500 commercial appraisals of which 25 to 30 assignments are related to anchor properties. Dost was offered as an expert in the appraisal of real estate without objections from the remaining parties; therefore, the Board accepted him as such at this hearing.

Dost's appraisal, which was marked for the record as Intervenor's Exhibit #1, developed two of the three traditional approaches to value, as well as a land value. The land value was estimated at \$5,100,000. The income approach estimated a market value of \$14,500,000, while the sales comparison approach estimated a value of \$14,400,000. The subject's description was similar to that in the Ryan appraisal. In addition, the appraisal stated that the land value was the only part of the cost approach which was developed because such a development of the building and improvements is not applicable due to the age of the subject's improvements. Dost testified that the scope of his appraisal assignment was to appraise the fee simple interest of the subject while applying all relevant approaches to value.

As to the subject's history, Dost noted the same subject's sales data as reflected in the appellant's appraisal, while also noting that such price allocation and transfer is not considered an arm's length transaction and not representative of market value. As to the subject's area, the Dost appraisal indicated that pursuant to market surveys 2006 was another year of significant retail property completions and a reduced pace of spending growth for the Chicago Retail Market. In addition, the outlying suburbs are forecast to recover 80% of the metro's new construction, which will increase vacancy rates in 2007.

Dost also referenced data from the International Council of Shopping Centers, stating that regional malls are significantly less dependent on department stores as anchor tenants and that 20% of all mall anchors are now other retailer types, including: discount department stores, big-box home stores, cinemas, sporting goods stores and off-price retailers. Further, the Dost appraisal indicated that the new generation of anchor tenants is part of a massive shift in the retailing industry. He testified that in his opinion this shift was applicable in 2007 and 2008.

Dost developed a land value for the subject using four land sales. He testified thoroughly regarding the details of each land sale. They sold in an unadjusted value from \$8.82 to \$17.96 per square foot. He concluded a land value for the subject of \$18.00 per square foot or \$5,100,000, rounded. He stated that the land value is a large component of this property type and that it is also important to test the highest and best use as improved.

As to the highest and best use analysis, Dost testified that the property's highest and best use, as if vacant, was for retail

use as an anchor department store, while its highest and best use, as improved, was its current use as an anchor department store in a super-regional mall. He stated that the land value development acted as a reasonableness test to make sure that the improvements do have contributory value.

Under the sales comparison approach, Dost utilized five sale comparables located in Illinois. At hearing, he testified that he gave predominant consideration to sales in Illinois of single-tenant, anchor store buildings and that four of the five sales were anchor department stores in a shopping center. The suggested comparables sold from November, 2005, to January, 2008 for unadjusted prices ranging from \$56.36 to \$133.94 per square foot of building area, including land, after correcting a square footage and mathematical error to sale #1. They ranged in building age from 9 to 29 years and in building size from 86,543 to 114,000 square feet of building area. Pages within the appraisal provided relevant details of each sale. Dost testified that four of the five sales were leased fee sales relating to properties #1, #3, #4 and #5, while also clarifying typographical errors relating to sale #1.

Dost testified as to each improved sale, as follows: as to sale #1 there was no information on the seller and that this property was a free-standing discount store which was a leased-fee sale; as to sale #2, the sale was subject to two long-term leases and that the sale was a "partial interest" sale as the buyer purchased the right to receive rent from Neiman Marcus, but also has to pay ground rent which he described as a 'sandwich lease' position; as to sale #3, it was a leased-fee sale of a discount department store; as to sale #4, it was not listed for sale on the open market and was a leased-fee purchase by mall ownership of a discount department store; and as to sale #5, the leased-fee sale was of a discount department store, Wal-Mart. Further, Dost noted that sale #1 included 94,915 square feet of building area resulting in a price of \$133.94 per square foot of building area. After making adjustments for some factors of comparison which did not include property rights, Dost testified he determined a value for the subject of \$110.00 per square foot of building area which yields an estimate of value for the subject of \$14,400,000, rounded.

As to the improved sale properties, Dost testified that in his opinion that discount department stores are comparable to anchor department stores because one is looking at the real estate and not the retail business. He also testified that he believed

that none of these stores are direct competitors of the subject, Lord & Taylor.

Under the income approach, Dost utilized three actual rental properties as well as three asking rentals, all of which were identified as a power store anchor, department store, anchor store or free-standing store. The lease transactions ranged in area from 42,085 to 144,425 square feet and in rents from \$7.00 to \$14.00 per square foot on a net basis. Dost stated that rental #2 was located next to a mall, but not attached thereto and that rental #3 was a junior anchor at a new power center. In addition, he stated that there was a size calculation to rental #2 because he only used the ground floor area and should have included other square footage.

He estimated the subject's PGI at \$2,266,002 with a 5% vacancy rate for the subject resulting in an EGI of \$2,152,702. He estimated real estate taxes, management fees, and replacement reserves at \$1,065,772. Deducting expenses resulted in a NOI of \$1,086,930.

In determining the appropriate capitalization rate (CAP rate), he testified that he referenced investor surveys which ranged from 5% to 9.5% for national regional malls, while undertaking the band of investment technique resulting in 8.13% capitalization rate. As a result, he opined that a CAP rate of 7.50%. NOI was then capitalized by this rate to reflect a market value estimate under the income approach of \$14,500,000, rounded, for the subject.

In reconciling the various approaches, he stated that primary weight was accorded the sales comparison approach with the income approach as a strong indicator of market value. Therefore, he estimated a value for the subject property as of January 1, 2007 at \$14,500,000.

Under cross-examination, Dost stated: that he defined the property rights to be appraised as to the subject as fee simple, even though he used leased-fee, improved sales as comparables in his appraisal; that he did not verify the subject's sale transaction with any party thereto; and that he did not need to adjust his leased-fee improved sale properties for a variance in property rights. As to his prior testimony regarding discounters appearing as anchors at mall locations, he responded that he could not recall a situation where a Wal-Mart or a Target store was an anchor department store in a mall comparable to the subject's mall. Dost also provided additional details regarding his improved sale properties, which he identified as

all single-tenant retail properties. Moreover, he stated that based upon his experience, most anchor department stores located in super-regional malls are owned and not leased. Lastly, he testified that just because a property is purchased by a mall owner does not negate the possibility that the sale is an arm's length transaction, such as his improved sale #4.

In rebuttal, the appellant submitted a desk review of the intervenor's appraisal prepared by Gary Battuello, which was marked and identified for the record as Appellant's Exhibit #3. Mr. Battuello was called as a witness at hearing. He testified that he has been a full-time real estate appraiser since 1981, while also holding the designation of MAI. He stated that he is a certified real estate appraiser in Minnesota, Wisconsin, and Illinois with temporary permits issued for assignments outside of these jurisdictions. He indicated that he is familiar with anchor department stores, while conducting from 50 to 100 review appraisals. He testified that the vast majority of these reviews relate to anchor department stores in Cook County or from 30 to 40 reviews. Battuello was offered as an expert in the valuation of anchor department stores and as a review appraiser of the same type of properties without objection from the board of review. The intervenor's attorney objected and asked additional voir dire questions. Over the intervenor's objection as to the offer of Battuello as an expert in the valuation of anchor department stores, solely, Battuello was accepted as an expert in the valuation of anchor department stores as well as an expert in undertaking assignments as a review appraiser of anchor department stores by the Board.

Battuello testified that the absence of a cost approach for this type of subject property is not unusual. As to the sales comparison approach, he stated that only one property, sale #2, was of an anchor department store in a regional/super-regional mall setting. The remaining sales were of a one-story, discount department store with much larger land area than the subject. In addition, sales #1, #3, #4, and #5 were 100% net leased fee interests, which he stated represented different property rights than the subject property. He also indicated that this difference in property rights shows the lack of competitiveness with the subject because they sell in distinctly different marketplaces and fail to meet the principle of substitution which is the foundation of the sales comparison approach. Further, he stated that no adjustments within the appraisal were made for this variance in property rights, which he indicated is generally consideration one of the first elements in determining comparability.

In addition, Battuello stated that Dost's sales #1, #3, #4 and #5 are all free-standing or in-line center stores, which fail a direct comparison on physical characteristics. He stated that these sales would not be directly competitive to an anchor store at an enclosed, super-regional mall and do not meet the principle of substitution. Overall as to this approach, Battuello stated that only one of Dost's sales is of an anchor store; thereby, the Dost value estimate relies on poor data and an inappropriate or unexplained adjustment process, which is less than reliable.

As to Dost's rental properties, Battuello stated that none of the rentals relate to an anchor department store at an enclosed mall. Rental #1 is an anchor store in a lifestyle center, while rentals #2 and #3 are free-standing properties with a larger land component. Most of all, rentals #4 through #6 are asking rentals not actual rentals, while there is a limited narrative adjustment section in the Dost appraisal. In addition, he indicated that Dost uses market data of capitalization rates for national regional malls and for a national net lease market. However, Battuello points out that the subject is neither a regional mall nor a leased property, but an owner-occupied, anchor department store located in an enclosed super-regional mall. Overall, he stated that this approach uses an unsupported market rent and capitalization rates, while testifying credibly on all areas.

After hearing the testimony and considering the evidence, the Property Tax Appeal Board finds that it has jurisdiction over the parties and the subject matter of this appeal.

When overvaluation is claimed the appellant has the burden of proving the value of the property by a preponderance of the evidence. National City Bank of Michigan/Illinois v. Illinois Property Tax Appeal Board, 331Ill.App.3d 1038 (3rd Dist. 2002); Winnebago County Board of Review v. Property Tax Appeal Board, 313 Ill.App.3d 179 (2nd Dist. 2000). Proof of market value may consist of an appraisal, a recent arm's length sale of the subject property, recent sales of comparable properties, or recent construction costs of the subject property. 86 Ill.Admin.Code 1910.65(c). Having considered the evidence presented, the Board concludes that the appellant has met this burden and that a reduction is warranted.

In determining the fair market value of the subject property for tax year 2007, the Board examined the parties' two appraisal

reports and supporting testimony, the board of review's written evidence submission, as well as the appellant's desk review of the intervenor's appraisal and accompanying testimony.

The Board finds the board of review's witness was not present or called to testify about their qualifications, identify their work, testify about the contents of the evidence, the conclusions or be cross-examined by the parties and the Board. Without the ability to observe the demeanor of this individual during the course of testimony, the Board gives the evidence from the board of review no weight.

Moreover, the Board finds that the appraisal evidence submitted by the remaining two parties indicated that all three appraisal experts agreed that the cost approach was less than applicable to an aged, anchor department store, such as the subject property.

The Board accorded diminished weight to the Dost appraisal due to: inappropriate rental properties; inaccurate methodology in development of the capitalization rate; and inappropriate improved sale properties without appropriate adjustments. Specifically, Dost's appraisal designates no adjustment in the area of property rights. Under examination at hearing, he provided no explanation to support this lack of any adjustment in this pivotal element of comparability.

Moreover, Dost contradicted his own definition of the subject's property rights, wherein he testified that he determined that the subject contained fee simple property rights in commencing his appraisal assignment. Nevertheless, he choose as comparables improved sale properties that either contained a leased-fee property rights or a property where the sale was described as a 'partial interest' which also contained two leases therein. Copies of these leases were not included in the Dost appraisal. In addition at hearing, Dost testified that he had not viewed these leases.

Further, Dost contradicted his highest and best use development for the subject wherein he stated that the subject's highest and best use, as if vacant, was for retail use as an anchor department store, while its highest and best use, as improved, was its current use as an anchor department store in a super-regional mall. In contrast, his improved sale properties were either an discount store anchor property in a power center or a free-standing, discount property. As to his rental properties, the evidence indicated that these were not anchor stores in a

regional or super-regional mall. Overall, these absences, contradictions and/or inconsistencies diminished the reliability of the value estimates within the Dost appraisal.

The Board finds that the best evidence of the subject's market value was the appellant's appraisal and supporting testimony. Ryan convincingly testified to various aspects of his appraisal. Moreover, the Board finds that he: has extensive experience appraising anchor department stores similar to the subject property; had personally inspected the subject's premises; utilized appropriate rental and improved sale comparables; correctly applied adjustments to these comparables as necessary which were supported in his appraisal or within his testimony; and accorded primary weight to the sales comparison approach to value while indicating that the income approach is speculative in application to an owner-occupied, single-tenant, anchor department store located in a super-regional mall.

Moreover, the Board finds persuasive Ryan's testimony that buyers and sellers of large anchor department stores in regional and super-regional malls deal on a national market; thereby, Ryan choose comparables sited both in Illinois and in other states while obtaining comparables with similar highest and best uses. The Board found that Ryan's detailed explanations of retail industry trends as well as defining various components of that retail industry added to the appraisal's reliability. Overall, Ryan's answers to questioning reflected credible responses, while substantiating his findings.

Further, the courts have stated that where there is credible evidence of comparables sales, these sales are to be given significant weight as evidence of market value. In Chrysler Corporation v. Property Tax Appeal Board, 69 Ill.App. 3d 207 (2nd Dist. 1979). The Court further held that significant relevance should not be placed on the cost approach or the income approach especially when there is market data available. Id. Moreover, in Willow Hill Grain, Inc. v. Property Tax Appeal Board, 187 Ill.App.3d 9 (5th Dist. 1989), the Court held that of the three primary methods of evaluating property for purposes of real estate taxes, the preferred method is the sales comparison approach.

Therefore, the Board will also place significant weight on the sale comparables submitted into the record. The Board finds that appellant's improved sale comparables to be most relevant and similar to this large and aged, anchor department store

sited in a regional mall, which is the subject property of this appeal.

While the Board accords all 13 of the appellant's properties varying weight, the Board will focus the majority of its analysis on the properties located in Illinois, which include appellant's sales #5, #7, #8, #9 and #13. These properties sold from January, 2003, through April, 2006, for raw prices that ranged from \$20.09 to \$43.68 per square foot of gross building area including land prior to adjustments. The improvements ranged: in age from 25 to 30 years; in improvement size from 149,577 to 254,720 square feet of building area; and in land-to-building ratios from 2.87:1 to 3.65:1.

After making adjustments to these comparables for pertinent factors including but not limited to highest and best use, property rights, location, improvement age and size, land size, and conditions of sale, the Board finds that these sale properties support the Ryan's market value conclusion as opined by the appellant of \$8,200,000. On the basis of this analysis, the Property Tax Appeal Board finds that a reduction is warranted to the subject property's assessment.

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. Fen

Member

Tracy A. Huff

Member

Mario Morris

Member

JR

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: March 20, 2015

A. Portol

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.