



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

APPELLANT: St. Clair Square LLC (dba sears)  
DOCKET NO.: 21-06547.001-C-3  
PARCEL NO.: 03-27.0-100-029

The parties of record before the Property Tax Appeal Board are St. Clair Square LLC (dba Sears), the appellant, by attorney Ryan J. Mason, of Mason Law Firm LLC in St. Louis, and the St. Clair County Board of Review.

Based on the facts and exhibits presented in this matter, the Property Tax Appeal Board hereby finds **A Reduction** in the assessment of the property as established by the **St. Clair** County Board of Review is warranted. The correct assessed valuation of the property is:

**LAND:** \$723,470  
**IMPR.:** \$276,430  
**TOTAL:** \$999,900

Subject only to the State multiplier as applicable.

**Statement of Jurisdiction**

The appellant timely filed the appeal from a decision of the St. Clair County Board of Review pursuant to section 16-160 of the Property Tax Code (35 ILCS 200/16-160) challenging the assessment for the 2021 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 two-story, Class C, retail department store of exterior concrete tilt-up panel construction with 156,409 square feet of gross building area and a concrete slab foundation. The building was constructed in 1975 and renovated in 1999, for an actual age of 46 years old and a reported effective age of 35. The subject originally was an anchor store at a regional mall which has been vacant since March 2019. The structure has 88,817 square feet of ground floor area and features include one passenger elevator, one freight elevator, two central escalators, central air conditioning and a wet fire sprinkler system. The property has a 12.93-acre site resulting in a land-to-building ratio of 3.60:1 and is located in Fairview Heights, Caseyville Township, St. Clair County.

The appellant contends overvaluation as the basis of the appeal. In support of this argument, the appellant submitted an appraisal prepared by Robert D. Becker, MAI, SRA, AI-GRS, ASA, a

Certified General Real Estate Appraiser, estimating the subject property had a market value of \$2,000,000 as of January 1, 2021. The purpose of the appraisal is to develop an opinion of the fee simple retrospective value to assist in an *ad valorem* tax appeal.

The appraiser stated that the subject property is currently offered for sale or lease and no specific listing prices were provided “as the owner is open to all potential ideas, including redevelopment.” Furthermore, Becker wrote that “no specific sale price or lease rate has been placed on the property.” (Appraisal, p. 6)

Becker opined both an exposure and marketing time for the subject property of 12 to 18 months. The appraiser viewed the subject property, both interior and exterior, on June 6, 2022. Becker noted the building to be overall in fair condition and further described noticeable deferred maintenance including missing drywall, missing acoustic panels, various water stains on the floor and ceiling including observing floor coverings to be at the end of their useful life. The appraiser considered these deferred maintenance items in setting for the overall condition. (Appraisal, p. 7, 9 & 32)

The appraiser prepared a Local Area Analysis considering regional information including demographics, population and income among other considerations. As part of this analysis, the appraiser considered surrounding land uses within a mile of the subject along with other influences, concluding that the subject’s market benefits from a diverse blend of residential, commercial and community uses and close in proximity to many recreational activities, Becker opined that the outlook for the subject’s market area was average into the foreseeable future. (Appraisal, p. 21)

Becker performed a highest and best use analysis and concluded the best use of the subject site as-vacant would be a retail intensive use and in its as-is state, was determined to be continued use as a retail anchor store. (Appraisal, p.46-47)

Using the sales comparison approach to value, Becker examined nine comparable sales of retail department stores that were built from 1969 to 2001. The comparables were located in Alton, Bloomington, Bloomingdale, Springfield, West Dundee, Grandville, Michigan, Lithonia, Georgia, Elyria and Dayton, Ohio. The comparables range in size from 103,482 to 227,070 square feet of gross building area. The comparables sold from February 2016 to November 2020 for prices ranging from \$625,000 to \$3,607,075 or from \$3.63 to \$19.07 per square foot of gross building area, including land. Having adjusted these sales prices for differences from the subject concerning location, access, exposure, quality, condition, appeal and mall class, the appraiser arrived at adjusted sales prices ranging from \$4.11 to \$16.88 per square foot of gross building area, including land, to arrive at an estimated market value for the subject of \$13.00 per square foot of gross building area, including land, or \$2,000,000 (rounded). Appraisal, p. 50-57)

In appraisal pages 58 to 67, Becker used the income approach to value by applying the direct capitalization method to best reflect the decision-making process of an investor. Becker’s first step under the income approach was to estimate the subject’s market rent. He noted that department stores are typically owner occupied or leased at non-market terms, which can include sale-leasebacks and build-to-suit agreements. Thus, due to the limited availability of lease data, the appraiser employed a national search. Becker analyzed seven owner user lease comparables

located in Lincolnwood, Bourbonnais, Beavercreek, Ohio, Greendale, Wisconsin, Oklahoma City, Oklahoma, Lewisville and Houston, Texas. These comparables were summarized on page 59 and ranged in leased square footage from 80,535 to 210,000 square feet of gross building area. The comparables were built from 1975 to 2008 with the oldest building having been renovated in 2016. These comparables had rental rates ranging from \$3.34 to \$7.00 per square foot of building area on a triple net basis. After considering adjustments, Becker concluded that the subject would have a market rent of \$3.00 per square foot resulting in a potential gross income (PGI) of \$469,227. The appraisal set forth that historical vacancy and credit loss typically is from 10% to 40% of PGI. Based on this data, Becker estimated the subject would have a 20% allowance for vacancy and credit loss resulting in an effective gross income of \$375,382. The appraiser next estimated operating expenses for the subject for repairs and maintenance, management fees and reserves for replacements of \$117,307 resulting in net operating income of \$258,075.

The final step under the income approach was to estimate the capitalization rate to be applied to the subject's net income. Using market extraction, nation survey data and the band of investment method resulted in a capitalization rate of 13.5%. Capitalizing the subject's estimated net income of \$258,075 by 13.5% resulted in an estimated value under the income approach of \$1,900,000, rounded.

In reconciling the two approaches to value in the report at pages 68 and 69, the appraiser placed most weight on the sales comparison approach in concluding a value for the subject as of January 1, 2021 of \$2,000,000.

Based on this evidence, the appellant requested a total assessment of \$999,900 which would reflect a market value of \$3,000,000, including land, when applying the statutory level of assessment of 33.33%.

The board of review submitted its "Board of Review Notes on Appeal" disclosing the total equalized assessment for the subject of \$1,358,666. The subject's assessment reflects a market value of \$4,069,081 or \$26.02 per square foot of building area, land included, when using the 2021 three year average median level of assessment for St. Clair County of 33.39% as determined by the Illinois Department of Revenue.

In response to the appeal, the board of review submitted a copy of the subject's property record card and stated "working on possible stip[ulation] at 2022 Board hearing."

### **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 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 met this burden of proof and a reduction in the subject's assessment is warranted.

The appellant submitted an appraisal of the subject property, and the board of review did not supply any substantive market value evidence as to the property, instead noting that the board of review was working on a stipulation. As of the preparation of this decision, no stipulation has been filed in this matter.

The Board finds the best and only evidence of market value to be the appraisal submitted by the appellant. The appraisal has been analyzed and appears to provide a logical and credible indication of the subject's market value of the lien date at issue. Moreover, the board of review failed to provide any data that would call into question the legitimacy of the appraisal report or any comparable sales data to support the 2021 estimated market value of the subject property based upon its assessment.

The subject's assessment reflects a market value of \$4,069,081 or \$26.02 per square foot of building area, including land, which is above the appraised value conclusion. Based on this appraisal evidence, the Board finds the subject property is overvalued and a reduction in the subject's assessment commensurate with the appellant's request is 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. Pursuant to Section 1910.50(d) of the rules of the Property Tax Appeal Board (86 Ill.Admin.Code §1910.50(d)) the proceeding before the Property Tax Appeal Board is terminated when the decision is rendered. The Property Tax Appeal Board does not require any motion or request for reconsideration.



Chairman



Member



Member



Member



Member

DISSENTING: \_\_\_\_\_

CERTIFICATION

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:

December 19, 2023



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 or years of the same general assessment period, as provided in Sections 9-125 through 9-225, 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 such subsequent year or years 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 OR YEARS. A separate petition and evidence must be filed for each of the remaining years of the general assessment period.

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.

PARTIES OF RECORD

AGENCY

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