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## Amherst cuts value of J.C. Penney at Boulevard Mall by 63%

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Black Friday shopping started early at J.C. Penney at the Boulevard Mall in 2018. Now, the Town of Amherst has reduced the assessed value on the store by nearly 63%, in part to reflect the decline of bricks-and-mortar retail accelerated by Covid-19.

News file photo

Stephen T. Watson

**A**mherst has slashed the assessment on the J.C. Penney store at the Boulevard Mall by 62.6% to settle a legal challenge that argued the value set by the town didn't reflect the ongoing decline in bricks-and-mortar retail.

The town reduced the store's fair market value to \$3.19 million, from its current value of \$8.52 million, for the 2021 tax year, according to a copy of the settlement filed with the town and in State Supreme Court. The store's assessed value for tax purposes would fall from \$7.5 million to \$2.8 million.

The J.C. Penney reduction comes about two months after Town Assessor David Marrano agreed to sharply lower the fair-market value of the main Boulevard Mall property by 59%, from \$33 million to about \$13.5 million.

The store, separately owned by the J.C. Penney corporation, faces the same financial headwinds as the rest of the struggling mall, he acknowledged.

"It was fair," Marrano said of the settlement. "We looked at the numbers."

The Amherst Town Board agreed to resolve the assessment challenge at a special meeting Monday. Supervisor Brian J. Kulpa said the session was called to make sure it left time to incorporate the newly approved assessed value in the school tax roll for the Sweet Home Central School District, which includes the store and the surrounding mall.

It was hard to believe how busy the Boulevard Mall was this afternoon on such a beautiful Western New York day where many go to a park or hit the beaches. Maybe shoppers intended to browse and relax in free air-conditioning. This short unedited time-lapse video shows the mall before its modern makeover.

Robert Kirkham

The attorneys who filed the challenge on behalf of J.C. Penney said their client was satisfied with the agreement.

"We were comfortable with the results," said Robert Jacobson, whose practice is located in suburban Rochester. He represented J.C. Penney with his son, Aaron.

Under the settlement, J.C. Penney agreed to drop its challenges for the 2019 and 2020 tax years. This means the town won't have to refund any property taxes collected during those years, Marrano said.

The agreement locks in the lower assessed value for the 2021, 2022, 2023 and 2024 tax years.

Attorneys argued the town set a higher value on the J.C. Penney store than it had on similar commercial space in Amherst, especially given the challenges faced by traditional retailers. Covid-19 concerns only accelerated consumers' shift away from enclosed shopping centers and toward Amazon and other e-commerce sites.

"I think it was fair considering the marketplace, considering the state of anchor stores" in malls such as J.C. Penney, the senior Jacobson said. The Boulevard Mall, for example, in recent years has lost Sears and Macy's Men's as anchor stores.

Marrano said the new assessment lowers the store's assessed value from about \$40 per square foot to around \$20 or \$22 per square foot, closer to the figure for the larger mall structure.

"We brought them in line with the way the rest of the mall is assessed," he said.

Marrano said he doesn't anticipate further adjustments in value until Boulevard Mall owner Douglas Jemal begins his planned overhaul of the property into a mixed-use development, work that will require tearing down some portions of the structure.

The J.C. Penney store faces an uncertain future. The venerable retail chain filed for bankruptcy protection last year, amid the pandemic, and is emerging under new ownership.

It has four remaining stores in metro Buffalo: at the Boulevard Mall, Eastern Hills Mall in Clarence, Walden Galleria in Cheektowaga and McKinley Mall in Hamburg. Marrano said he doubts the region will host more than two once the dust settles in the coming months – Galleria and one other.

### **Stephen T. Watson**

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