

BEFORE THE IDAHO BOARD OF TAX APPEALS

COVE AT EAGLE LAKES, LLC,	)	
	)	
Appellant,	)	APPEAL NOS. 23-A-1167
	)	through 23-A-1182
v.	)	
	)	FINAL DECISION AND ORDER
ADA COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

RESIDENTIAL PROPERTY APPEALS

These appeals are taken from decisions of the Ada County Board of Equalization denying appeals of the valuations for taxing purposes on properties described by the Parcel Nos. listed on Attachment A. The appeals concern the 2023 tax year.

These matters came on for hearing November 14, 2023, in Boise, Idaho, before Board Member Leland Heinrich. Property Manager Joshua Elliott appeared at hearing for Appellant. Ada County Chief Deputy Assessor Brad Smith represented Respondent.

Board Members Leland Heinrich, Kenneth Nuhn, and Doug Wallis join in issuing this decision.

The issues on appeal concern the market values of sixteen (16) unimproved residential properties.

The decisions of the Ada County Board of Equalization are affirmed.

FINDINGS OF FACT

Assessed values, Appellant's value claims, and lot sizes for the respective subject parcels are detailed in Attachment A. As needed, individual lots will be referred to by their list number.

The subject properties are sixteen (16) vacant lots situated within the Truman Cove subdivision in Eagle, Idaho. Lots 1 through 6 are lots designated for single-family residences, and Lots 7 through 16 are designated for townhomes.

Appellant provided information on two (2) sales which occurred in subjects' neighborhood. The first sale regarded a single-family lot next door to Lot 6. The lot sold for \$180,000 in November 2022. The second sale involved two (2) townhome lots which sold for \$310,000 in March 2023. Appellant argued this demonstrated single-family lots should be assessed closer to \$180,000 each, and townhome lots should be assessed closer to \$150,000 each.

Appellant also shared assessment information regarding vacant lots in Eagle within a mile of the subject property. Appellant characterized the properties as being in a similar subdivision with ponds and lakes. The single-family lots under appeal are between .09 and .10 acres and have assessments of \$300,000 to \$400,000. Appellant compared these to ten (10) properties which were .17 to .21 acres and assessed at \$150,000 each. The townhome lots under appeal are between .04 and .07 acres with assessments of \$220,000 to \$500,000. Appellant compared these properties to ten (10) properties which were all approximately .06 acres with assessments of \$150,000 each.

Respondent disagreed Appellant's referenced lots were comparable to the subject properties. Respondent described the subject neighborhood as superior to the Lakemore subdivision which Appellant's comparable properties were in, explaining subjects' neighborhood is a gated community with superior amenities such as a private twenty-six (26) acre lake, community beaches, a pool, and a maintenance-free lifestyle. Both subdivisions have ponds, but Respondent argued the similarities ended there.

Respondent argued subjects' location and amenities are the biggest draw to the neighborhood, the value of which should be reflected in the land assessment. To further demonstrate the dissimilarity between the neighborhoods, Respondent shared the average sale price in 2022 in subjects' neighborhood was \$1,044,000, where the average in the Lakemore neighborhood was \$772,000. Respondent also noted the properties in Lakemore are roughly twelve (12) years older than Truman Cove.

Appellant agreed subjects' subdivision is overall superior, but argued the lots are not superior currently, because they are still vacant and have not been sold. Appellant argued subjects are "just dirt" and will not be valuable properties until sold and developed.

To support subjects' assessments, Respondent provided information on three (3) vacant land sales. The sales occurred in 2021, and Respondent shared the area's market had appreciated 10% to 20% since. Sale No. 1 was a .23 acre lot in subject's subdivision which sold for \$618,000, or \$60.89 per square foot, in June 2021. Sale No. 2 was a .23 acre lot also in subject's neighborhood which sold for \$600,000, or \$60.15 per square foot, in July 2021. Sale No. 3 was a .17 acre lot in the neighboring subdivision which sold for \$301,945, or \$41.51 per square foot, in February 2021. Though the amenities were similar, Respondent shared this subdivision has less water access. Respondent also shared that, once improved, this property sold again in November 2022 for \$1,321,913. The subject lots are assessed from \$220,000 to \$500,000, or \$68.87 to \$229.57 per square foot.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of market value in fee simple interest or, as applicable, a

property's exempt status. This Board, giving full opportunity for all arguments and having considered all the testimony and documentary evidence submitted by the parties, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2023, in this case. Market value is always estimated as of a precise point in time. Idaho Code § 63-201 provides the following definition,

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Market value is estimated according to recognized appraisal methods and techniques. There are three (3) approaches to value: the sales comparison approach, the cost approach, and the income approach. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). The sales comparison approach is commonly used in the valuation of a residential property. In general terms, the approach examines recent sales of similar property, and considers the differences in property characteristics between subject and the sale properties.

Appellant provided sales information from subjects' neighborhood to support reductions in subjects' assessed values, though the only details provided were sale date, location, and price. The first sale was a single-family lot for \$180,000, and the other sale was of two (2) townhome lots for \$310,000. The Board was unable to consider the second sale, as it occurred after the January 1, 2023, lien date. As for the single-family lot sale, it was difficult for the Board to correlate the sale price with other lot values as it was a

single sale and details were sparse. The price was also at odds with the two (2) other sales from subjects' subdivision reported by Respondent.

Appellant also shared assessment information for twenty (20) parcels in a nearby subdivision. The Board did not consider this information as evidence of subjects' values, as Respondent explained property characteristics and amenities varied drastically between the neighborhoods. Most telling was the \$272,000 difference in average sale prices for 2022. Additionally, a comparison of assessed values is not a recognized appraisal approach which would result in an accurate estimation of market value.

Respondent offered three (3) sales in support of subjects' current assessments. The properties were .17 to .23 acres in size and sold between \$301,945 and \$618,000, or \$41.51 to \$60.89 per square foot. All the sales occurred in 2021. Subjects are assessed at \$220,000 to \$500,000, or \$68.87 to \$229.57 per square foot. Respondent did not conduct a traditional analysis where adjustments are made to the sale properties to make them more similar to subjects. Respondent did state the market has appreciated 10% to 20% since 2021, but a time adjustment was not applied to the sales to bring them current to January 1, 2023. Most compelling, however, were the two (2) sale prices over \$600,000 from subjects' own neighborhood. The Board finds subjects' values of \$220,000 to \$500,000 are fair and equitable given the sales information in the record.

In accordance with Idaho Code § 63-511, the burden is with Appellant to establish subjects' valuations are erroneous by a preponderance of the evidence. The burden of proof was not met in this instance. Appellant offered information on one (1) timely sale with a low price, but where Respondent offered information on two (2) sales from subject's own subdivision demonstrating higher prices in the area, the Board was strained to find

support for lower valuations. The Board will uphold the decisions of the Ada County Board of Equalization.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Ada County Board of Equalization concerning the subject parcels be, and the same hereby are, AFFIRMED.

DATED this 25th day of March, 2024.