

BEFORE THE IDAHO BOARD OF TAX APPEALS

MAGIC VALLEY NEWSPAPERS, INC.,	)	
	)	
Appellant,	)	APPEAL NOS. 25-A-1225,
	)	25-A-1226, and 25-A-1227
v.	)	
	)	FINAL DECISION AND ORDER
TWIN FALLS COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

COMMERCIAL PROPERTY APPEALS

These appeals are taken from decisions of the Twin Falls County Board of Equalization denying appeals of the valuations for taxing purposes on properties described by Parcel Nos. RPT0001100001AA, RPT0001100005AA, and RPT0001100021AA. The appeals concern the 2025 tax year.

These matters came on for a Zoom hearing February 3, 2026, before Hearing Officer Travis VanLith. Agent Frank Lima appeared at hearing for Appellant. Twin Falls County Assessor Bradford Wills represented Respondent.

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

The issues on appeal concern the market values of three (3) adjacent improved commercial properties.

The decisions of the Twin Falls County Board of Equalization are affirmed and modified.

FINDINGS OF FACT

Parcel No. RPT0001100001AA (Appeal No. 25-A-1225)

The assessed land value is \$66,192, and the improvements' value is \$77,475, totaling \$143,667. Appellant contends the correct combined value of the three (3) subject properties is \$1,730,000.

This subject property is a .287 acre commercial parcel located in downtown Twin Falls, Idaho. The property is improved with a 1,269 square foot building constructed in 1952 and operated as a gas station. Appellant acquired this property and the two (2) below subject properties to collectively function as a newspaper printing business. This subject building was used by Appellant primarily as a service and repair facility for its newspaper vending machines. For purposes of this decision, this subject property will be referred to as *Parcel 1A*.

Parcel No. RPT0001100005AA (Appeal No. 25-A-1226)

The assessed land value is \$165,364, and the improvements' value is \$353,256, totaling \$518,620. Appellant contends the correct combined value of the three (3) subject properties is \$1,730,000.

This subject property is a .717 acre commercial parcel contiguous with the above Parcel 1A. The property is improved with a 14,700 square foot building constructed in 1910, with additions in 1935 and 1963. Appellant utilized roughly 2,912 square feet in the front of the building as retail and office space, with the remaining area used for storage. This subject property will be referred to as *Parcel 5A*.

Parcel No. RPT0001100021AA (Appeal No. 25-A-1227)

The assessed land value is \$155,137, and the improvements' value is \$1,485,763, totaling \$1,640,900. Appellant contends the correct combined value of the three (3) subject properties is \$1,730,000.

This subject property is a .861 acre commercial parcel adjacent to the above two (2) subject parcels but separated by an alleyway. The property is improved with a 22,502 square foot building constructed in 1970, with additions made in 1979 and 2001. This

building, referred to as the main facility, houses the printing press operation. In addition to the production area, which encompasses approximately 9,576 square feet, the building also includes roughly 11,984 square feet of office space. This subject property will be referred to as *Parcel 21A*.

Appellant explained that in determining subjects' land values, the assessor's office treated the three¹ (3) lots as a single commercial parcel, which resulted in a lower combined valuation than if assessed as individual commercial lots. Appellant reasoned the same methodology should likewise be applied to the improvements. It was noted the properties, though acquired at different times, were assembled into a single newspaper production facility. As the subject properties have a history of integrated use, Appellant contended they should be valued as a single economic unit.

In support of a lower valuation, Appellant offered a price estimate report which analyzed the value of the subject properties together as a single economic unit as of January 1, 2025. The analysis identified six (6) sales for comparison with subjects. Sale No. 1 was a 1.31 acre warehouse property constructed in 2020 located in Idaho Falls. Details concerning the sale property's characteristics were limited, but Appellant reported a gross building area of 6,000 square feet and a net rentable area of 30,000 square feet. The property sold for \$798,000 in June 2024, or \$26.60² per square foot. Appellant compared the sale property to the subject facility and made qualitative "upward" or "downward" adjustments for differences in location, quality/appeal, age/condition, net

¹ According to the respective property records, Parcel 1A and Parcel 5A were both assessed at same \$230,633.81 per acre rate, but Parcel 21A was assessed at a lower rate of \$180,182.66 per acre.

² This \$26.60 per square foot price rate was calculated by dividing the sale price by the net rentable area of 30,000 square feet, not the gross building area figure of 6,000 square feet. For the remaining sales in the analysis, the reported gross building area measurements were identical to the net rentable area size figures.

rentable area, and land-to-building ratio. The result was an adjusted sale price of \$33.25 per square foot, or \$997,500.

Sale No. 2 concerned a 1.62 acre commercial property located in Boise. The parcel was improved with a 41,665 square foot two (2) level building constructed in 2021. This property sold in March 2024 for \$1,795,500, or \$43.09 per square foot. Adjusting for the same criteria as the previous sale, Appellant concluded an adjusted sale price of \$43.09 per square foot, or \$1,795,345, for Sale No. 2.

The third sale in the data set was a 14.44 acre industrial property near Filer, Idaho. The 23,112 square foot industrial building was constructed in 1993. Appellant reported a May 2023 sale price of \$1,250,000, or \$54.08 per square foot. In addition to the qualitative adjustments for differences in physical characteristics, Appellant also applied a 3% annual time adjustment to reflect current market conditions, which resulted in an adjusted sale price of \$51.10 per square foot, or \$1,181,023. The same annual time adjustment factor was applied to all sales prior to 2024.

Sale No. 4 was the March 2023 sale of a commercial property located in Nampa. The 1.63 acre parcel was improved with a 22,000 square foot commercial building constructed in 1980. The property sold for \$810,701, or \$36.85 per square foot. After all adjustments, Appellant determined an adjusted price rate of \$40.62 per square foot, or \$893,640.

The next sale concerned a 1.85 acre commercial parcel in Boise. The property was improved with a 53,821 square foot two (2) story commercial building constructed in 1949. This property sold in November 2022 for \$2,500,000, or \$46.45 per square foot. Appellant calculated an adjusted sale price of \$48.55 per square foot, or \$2,613,010.

Lastly, Sale No. 6 was the May 2022 purchase of a retail property located in Twin Falls less than two (2) miles from the subject properties. The .33 acre sale parcel was improved with a 35,696 square foot building constructed in 2001. The property sold for \$2,545,463, or \$71.31 per square foot, and had an adjusted sale price of \$2,239,924, or \$62.75 per square foot.

On an overall basis, adjusted sale prices varied from roughly \$33 to \$63 per square foot, with an average of approximately \$47 per square foot. Appellant concluded a rate for subjects just below the average, at \$45 per square foot, and calculated a rounded value of \$1,730,000.

Before addressing the valuations, Respondent noted the subject properties are located within the downtown urban renewal district. Renovation activity in the downtown area was described as vibrant since the urban renewal district was established two (2) years ago. In this regard, Respondent shared photographs of five (5) downtown properties that have been recently renovated. Respondent characterized the downtown market as active and the broader commercial market as relatively strong. Appellant was skeptical of Respondent's characterization of an active commercial market and noted the subject properties have been listed for sale for more than one (1) year with no offers.

Respondent explained the assessor's office policy is to treat contiguous parcels under common ownership as a single parcel for purposes of assessment, as opposed to individual stand-alone lots. This methodology was noted to generally reduce the overall land value to the benefit of the property owner due to principles of economies of scale. Focusing on the subject properties, Respondent disagreed with Appellant's methodology of combining the parcels into a single economic unit. Respondent stressed each building

is unique, and each was originally built and used for distinct purposes. Currently, only portions of the building situated on Parcel 21A, the main facility, are being utilized, whereas the buildings on Parcels 1A and 5A have been sitting unused for several years. In Respondent's opinion, it is unlikely the three (3) subject properties would sell together as a single facility, so therefore each should be valued separately.

Turning to subjects' valuations, Respondent began by sharing observations of each subject property made on two (2) separate occasions, once in December 2018 and again in August 2024. For Parcel 1A, Respondent noted the former gas station property was being used in 2018 for storage and maintenance of Appellant's newspaper vending machines. At that time, the building was rated as "fair" construction quality and was considered to be in "good" condition. Respondent's 2024 observation of Parcel 1A revealed the building had not been used in recent years and there were no newspaper vending machines. The building was showing visible signs of deferred maintenance, so Respondent downgraded the condition rating to "fair."

For its 2018 observation of Parcel 5A, Respondent noted roughly 2,900 square feet of the building were used as front office/retail space, with the remainder serving as warehouse storage. The construction quality of the building in 2018 was rated "fair" and the condition "average." Though originally constructed in 1911, additions were made to the building in 1935 and 1963, resulting in an estimated effective age of 1932. Respondent's 2024 observation found the building was vacant and unused, with clear signs of "wear and neglect" throughout. As such, Respondent reclassified the office area as general commercial space and revised the effective age downward to 1914. No changes were made to the quality or condition ratings.

Turning to Parcel 21A, Respondent's 2018 observation noted the property was actively used and maintained, with 9,576 square feet used for the printing operation and nearly 12,000 square feet as office space. The building's construction quality rating was "fair," and it was considered to be in "good" condition. The building was originally constructed in 1970, but Respondent determined an effective age of 1973 due to additions made in 1979 and 2001. Respondent reported noticeable signs of neglect and aging during its 2024 observation of the property. Because the office space fell short of modern standards, Respondent reclassified the office area as general commercial space. Respondent also downgraded the condition rating to "average" and lowered the effective age to 1970.

Though subjects' individual assessed values were determined through a cost approach methodology, Respondent also offered recent sales information in support of the respective valuations. Five (5) commercial sales which occurred in 2024 were identified within the City of Twin Falls, and three (3) were found in other parts of the county. The sales within the city concerned commercial parcels ranging from .14 to 1.26 acres in size, improved with buildings varying in size from 1,442 to 22,502 square feet. Sale prices ranged from \$150,000 to \$535,000, or roughly \$76 to \$271 per square foot, with an average price rate of \$171 per square foot.

The three (3) sales located outside Twin Falls also transpired during 2024. The first sale, located in Buhl, was a .099 acre parcel improved with a 2,056 square foot building constructed in 1962 which sold for \$105,000, or \$51.07 per square foot. The second sale property was located in Kimberly. This sale concerned a 4,960 square foot commercial building situated on a .499 acre lot with a sale price of \$250,000, or \$50.40

per square foot. The final sale in the group was the \$145,000, or \$106.30 per square foot, purchase of a .24 acre parcel located in Filer improved with a 1,364 square foot building constructed in 1936. The average price rate of these three (3) sales was approximately \$69 per square foot. For comparison, subject Parcel 1A was assessed at \$113 per square foot on an overall basis (land plus improvements), Parcel 5A was assessed at \$35 per square foot, and 21A at \$73 per square foot, with an overall average rate of \$74 per square foot. Though there was some variance, Respondent maintained subjects' assessed values were reasonable against the recent local commercial sales data.

Appellant disagreed with Respondent's methodology of separately evaluating each subject property. Appellant argued the subject properties should be considered a single economic unit because that is how the properties are used. Appellant was also critical of the lack of consideration given to the fact the printing press housed in the main building in Parcel 21A would have to be disassembled and removed before the property could be put to another use. Appellant explained the massive printing press was assembled piece-by-piece inside the facility, so removing it would require tremendous physical effort and financial cost. Though specifics were not shared, Appellant suggested the cost to remove these large printing presses reach upwards of \$1,200,000, which was reportedly the cost to recently remove a press from a facility in Omaha, Nebraska. In Appellant's opinion, a potential purchaser of Parcel 21A would factor the cost of removing the printing press into the purchase decision, and Respondent's failure to consider this added cost was erroneous.

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, 2025, 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. The sales comparison approach, the cost approach, and the income approach comprise the three (3) primary methods for determining market value. *Merris v. Ada Cnty.*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979).

The key difference between the parties was whether to value the subject properties as a single economic unit or as individual stand-alone commercial parcels, with Appellant championing the former approach and Respondent the latter. Appellant's single economic unit methodology would be more appropriate if the subject properties were actually operating in such a manner. Instead, Parcels 1A and 5A have been effectively abandoned for several years. And, according to Appellant, little use is made of the main facility on Parcel 21A, as only a handful of employees remain. The properties were used together

for many years, but that use has been discontinued for years, so there are no longer any real integrated connections between the buildings.

Further, there is nothing particularly unique or special about any of the subject buildings that would make them more amenable to a combined valuation, such as a multi-building manufacturing site. Rather, Parcels 1A and 5A, a former gas station and retail building, respectively, were simply convenient acquisitions Appellant made to accommodate its growing newspaper business and increase parking for staff. The buildings are not attached to one another, and they were originally intended for uses wholly disconnected from each other. Aside from physical proximity and being held under common ownership, there is no connection between the subject properties. Each subject building, designed and built for its own distinct use, sits on its own parcel, and each operated independently long before Appellant assembled them under the same umbrella for its own business purposes. Now that Appellant's business has subsided and the properties are not in use, there is little justification, from an appraisal standpoint, to value the properties as a single integrated facility. That is simply not the reality.

We must also be mindful that Idaho Code § 63-208 requires a property's actual and functional use to be a major consideration when determining market value for assessment purposes. Here, the subject properties have been sitting mostly vacant and idle for several years, which is to say, they are not actually and functionally operating as a newspaper production facility. As such, the properties should not be valued together as an operable newspaper production facility. In the Board's view, the subject properties should be valued individually.

Even if Appellant's methodology was found to be appropriate for the subject properties, the accompanying analysis was lacking. Appellant's sale properties were reasonably comparable to subjects in terms of net rentable area but there appeared to be few other similarities. For instance, Appellant classified subjects as a warehouse storage property, yet only one (1) of the sales included in the analysis was the same property type. The other five (5) sale properties were classified as commercial, industrial, or retail, for which no adjustments were made.

Another concern was the location of Appellant's sales. With the exception of one (1) sale in Twin Falls and one (1) in nearby Filer, the nearest sale property was located 110 miles away. The Board understands Appellant needed to expand the geographic scope in search of sales involving larger buildings, but no location adjustments were made to the sale properties located in entirely different markets. Interestingly, the two (2) sales with the highest price rates were the properties located in Twin Falls and Filer, at \$71.31 and \$54.08 per square foot, respectively.

More unsettling to the Board than the noted concerns with the sales analysis was the general lack of details regarding the characteristics of sale properties, as well as the absence of support for any of the adjustments made in the comparative analysis. Appellant did not identify any specific adjustments other than the 3% annual time adjustment factor applied to the older sales. Instead, Appellant simply indicated whether individual characteristics of the sale properties were adjusted "upward," "downward," or "unadjusted," then reported the adjusted sale price for each. Given the lack of support for any of the adjustments made, which ranged from -12% to +25% on a net basis, the Board was hesitant to place much weight on Appellant's sales analysis.

Appellant also mentioned that the subject properties have been listed for sale for more than a year, with no offers. While listings can be useful information and provide insight into current market conditions, particularly in estimating an upper range of value, such was not the case here. According to Appellant, the subject properties have been listed for sale, but with no asking price. Without an asking price, there is no frame of reference nor any indication of subjects' place in the market.

There were also some concerns with the sales information shared by Respondent. Aside from being generally classified as commercial, it was not apparent whether the sales shared any other similarities with the subject properties. Though all the buildings connected with Respondent's sales were larger than the 1,269 square foot former gas station on subject Parcel 1A, they were just a fraction of the size of the buildings on Parcels 5A and 21A. Nothing was shared regarding the type of commercial improvements that were sold, nor whether there were any additions or renovations to the properties. The lack of details made meaningful comparisons between subjects and the sale properties difficult.

Despite concerns with the sales data, the Board found subjects' assessed values reasonable and reflective of the properties' current condition. Respondent's observations from 2024 revealed the subject properties were mostly unused, so Respondent downgraded the condition ratings of the buildings on Parcels 1A and 21A and revised the effective ages of all the buildings down. Respondent additionally reclassified the office areas of the main facility on Parcel 21A and the building on Parcel 5A to general commercial space. In other words, Respondent carefully considered the current condition and use of the properties and made adjustments where appropriate.

Though the Board found subjects' values reasonable, there was one (1) area of concern with respect to the main facility building on Parcel 21A. Nearly 9,600 square feet of the building is dedicated to the printing operation, including housing the printing press itself. Specifics about the press were not provided, but Appellant explained each piece of the printing press was assembled on-site. The press is not movable and not easily disassembled.

Unless Parcel 21A were to be purchased by another newspaper operator, which is an unlikely scenario given the precipitous decline in the print newspaper business in recent years, the printing press would need to be removed from the building before the space could be put to any other use. No bids or estimates to remove the press from Parcel 21A were offered, but Appellant stated the costs could exceed \$100,000 and referenced a printing press removed from a facility in Nebraska at a cost of roughly \$1,200,000. While there was nothing in the record to suggest the cost to remove the press from the subject building would approach the higher end of the range indicated by Appellant, there would certainly be costs associated with removing the press, which would undoubtedly be a consideration for a potential buyer in determining an appropriate purchase price.

In accordance with Idaho Code § 63-511, the burden is with Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Based on the evidence presented, the Board did not find the burden of proof satisfied. Though the Board was not satisfied Appellant's analysis yielded the best estimate of subjects' market values, the Board was persuaded an adjustment should be made for the cost of removing the printing press from Parcel 21A, a piece of disused equipment with no value outside the newspaper printing business. Accordingly, the Board will modestly adjust the value of

the main facility building on Parcel 21A, with no changes to the assessed values of the other two (2) subject properties.

Based on the above, the decisions of the Twin Falls County Board of Equalization are affirmed with respect to Parcel 1A and Parcel 5A and modified with respect to Parcel 21A to reflect a total assessed value of \$1,555,137.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Twin Falls County Board of Equalization concerning the subject parcels be, and the same hereby are, AFFIRMED and MODIFIED as detailed below:

Parcel No. RPT0001100001AA (Appeal No. 25-A-1225) – AFFIRMED (no change)

Land Value	\$ 66,192
<u>Improvement Value</u>	<u>\$ 77,475</u>
Total Assessed Value	\$143,667

Parcel No. RPT0001100005AA (Appeal No. 25-A-1226) – AFFIRMED (no change)

Land Value	\$165,364
<u>Improvement Value</u>	<u>\$353,256</u>
Total Value	\$518,620

Parcel No. RPT0001100021AA (Appeal No. 25-A-1227) – MODIFIED

Land Value	\$ 155,137
<u>Improvement Value</u>	<u>\$1,400,000</u>
Total Value	\$1,555,137

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

Idaho Code § 63-3813 provides that under certain circumstances the above-ordered values for the current tax year shall not be increased in the subsequent assessment year.

DATED this 27th day of March, 2026.