

BEFORE THE IDAHO BOARD OF TAX APPEALS

BURR DRIVE, LLC,)	
)	
Appellant,)	APPEAL NO. 14-A-1035
)	
v.)	FINAL DECISION
)	AND ORDER
VALLEY COUNTY,)	
)	
Respondent.)	
_____)	

COMMERCIAL PROPERTY APPEAL

This appeal is taken from a decision of the Valley County Board of Equalization modifying the protest of valuation for taxing purposes of property described by Parcel No. RP004700000030. The appeal concerns the 2014 tax year.

This matter came on for hearing September 30, 2014 in Cascade, Idaho before Board Member Leland Heinrich. Dennis Ryan appeared at hearing for Appellant. Assessor June Fullmer represented Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

The issue on appeal concerns the market value of a commercial property.

The decision of the Valley County Board of Equalization is modified.

FINDINGS OF FACT

The assessed land value is \$179,894, and the improvements' valuation is \$823,560, totaling \$1,003,454. Appellant contends the correct land value is \$108,500, with no change in the improvements' value, for a total value of \$932,060.

The subject property is a 4.51 acre improved commercial property located in the Pearson Park subdivision near McCall, Idaho. The improvements consist of multiple mini-

storage units. Appellant challenged only the land value.

Appellant provided listing information on two (2) properties. The first was a 18.44 rural parcel described as being the old rodeo grounds located on Hwy 55. This property was listed in January 2013 for \$269,000 or \$14,586 per acre. The second property was approximately twelve (12) acres in size. It had been listed for sale for about six (6) years. It was originally listed for \$499,000, and had a current list price of \$350,000, or \$27,600 per acre. This property was described as having retail space in the front and RV storage in the back. An acre of this property was unusable due to a ditch. Appellant noted the listing prices were close to half subject's assessed per acre value.

Appellant noted subject had several deficiencies that negatively impacted its value. The first was a 100 foot setback along Highway 55. Other detriments included tall transmission power lines, and a 30 foot setback along Burr Drive. Another negative factor was being tasked with providing a retention pond with a 10,000 gallon fire suppression tank for use in case of a fire in the area. Although Appellant is able to use some of this area for snow storage, Appellant suggested there is approximately one (1) acre of land which is not useable.

Respondent noted there were no recent commercial bare land sales in the Pearson Park subdivision area to indicate a change in commercial land values in subject's area. Respondent testified a 20% downward adjustment was applied to the subject parcel based on residential land sales in the area. Respondent did provide information on a 2.04 acre commercial bare land sale located in McCall which sold in 2001 for \$235,000 or \$115,196

per acre.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2014 in this case. Market value is defined in Idaho Code § 63-201, as,

“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) primary methods by which market value is estimated: the cost approach, the income approach, and the sales comparison approach. See *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Both parties provided limited information regarding the sales approach.

Appellant provided listing information to support a lower assessed value. Listings are not considered the best evidence of market value. They can be useful in determining the likely upper value limit, but on their own are insufficient to prove market value. As

such, we are reluctant to rely solely on the listing information referenced by Appellant to determine subject's market value as of January 1, 2014.

As there were no bare land commercial sales in subject's area, Respondent looked to residential land sales in the area. From the residential sales information Respondent made a 20% downward adjustment to subject.

The parties agreed subject does contain an additional 100 foot setback that is unique. None of the sales or listings presented suffered from such a large setback. Appellant suggested because of the setbacks, snow storage and fire retention tank, approximately 1-acre of subject is unusable.

In appeals to this Board, the burden is on Appellant to prove error in subject's valuation by a preponderance of the evidence. See Idaho Code § 63-511. We find with the information regarding the large setback, that burden was satisfied in this instance. However, we did not find adequate support for the \$108,500 land value sought by Appellant.

While Respondent's land valuation appears reasonable given the limited sales information presented, the Board does find an adjustment is needed to address the hindrance of the 100 foot setback.

Based on our understanding of subject's constraints, the Board will modify the decision of the Valley County Board of Equalization and set subject's land value at \$158,500, with no change to the value of the improvements.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, MODIFIED to reflect a decrease in total value to \$982,060.

IT IS FURTHER ORDERED that 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.

DATED this 24th day of December, 2014.