

Appellant purchased the vacant 9.03 acre building site in April 2017 for \$650,000. Appellant argued development restrictions diminish subject's value. Specifically, due to fire department requirements, a fire hydrant would need to be installed on the upper end of the property. Further, a guard rail along the access road must be installed.

Next, Appellant explained the City of Boise is requiring a geological study to gauge the stability of the hillside roadway. While Appellant knew of the fire department requirements at the time of subject's purchase, it did not anticipate the geological study requirement. Appellant estimated the costs of needed improvements could be upwards of \$300,000.

Respondent noted subject is one of the most desirable lots in all of the foothills and Ada County. Respondent explained subject's area was reappraised for the 2019 assessment year. Subject's value increased .67%, whereas the average increase in the neighborhood was 10.47%.

Respondent provided information on three (3) vacant land sales, one (1) of which was subject's purchase in mid-2017. The remaining two (2) sales were also view lots located within a few miles of subject, however, both these properties were regarded as inferior to subject. Sale No. 2 was a 1.22 acre vacant lot which sold in September 2017 for \$750,000. The third sale property involved a .80 acre vacant lot which sold in June of 2018 for \$900,000.

Lastly, Respondent reported speaking with the Fire Marshall who confirmed a fire hydrant and guard rails must be installed before any development could occur. The Fire Marshall estimated the cost of the fire hydrant at \$100,000. Respondent noted regardless of the cost of the fire hydrant, subject still sold for more than the current assessed value.

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 in fee simple interest, or as applicable 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, 2019 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) approaches to value, the sales comparison approach, the cost approach, and the income approach. Residential land is commonly appraised with reference to the sales comparison approach.

Appellant advanced two (2) primary arguments in favor of reducing subject's assessed value. The first centered on the fact the City is requiring a fire hydrant be installed on the upper end of the property, as well as a guard rail along the access road. Appellant knew of these two (2) requirements prior to the purchase of subject.

The second issue brought up was the necessity of having a geological study to gauge the stability of the hillside roadway. Appellant did not anticipate this issue prior to subject's \$650,000 purchase price in mid-2017. Appellant argued the cost of the required work would

likely run upwards of \$300,000. Appellant did not obtain or present an actual bid or cost estimate for remedial work which might be required at the conclusion of the geological study. Such might warrant extra consideration, however, the record was thin or void of good cost data on such possible work.

Respondent provided information on three (3) vacant land sales. One (1) was subject's actual purchase price of \$650,000 in 2017. The remaining two (2) vacant land sales sold for \$750,000 and \$900,000. The sale properties had view characteristics similar to subject, although notably inferior to subject's 360 degree views.

Pursuant to Idaho Code § 63-511, the burden is with Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Given the evidence provided in this matter, we did not find the burden of proof satisfied. The information provided by Appellant was not well developed or supported. Nor was there comparable sales information that supported Appellant's value position. The only market sales information provided came from Respondent. Respondent's market data was found to support subject's assessed value. In all, we did not find sufficient evidence to reduce subject's assessed value as petitioned by the Appellant. Based on the above, the decision of the Ada County Board of Equalization is affirmed.

FINAL ORDER

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

DATED this 2nd day of December, 2019.