

19-1261
TAX TYPE: PROPERTY TAX
TAX YEAR: 2018
DATE SIGNED: 12/08/2020
COMMISSIONERS: J. VALENTINE, M. CRAGUN, R. ROCKWELL, J. FRESQUES

BEFORE THE UTAH STATE TAX COMMISSION	
TAXPAYER, Petitioner, v. BOARD OF EQUALIZATION OF COUNTY, STATE OF UTAH, Respondent.	<p style="text-align: center;">INITIAL HEARING ORDER</p> Appeal No. 19-1261 Parcel No. ##### Tax Type: Property Tax/Locally Assessed Tax Year: 2018 Judge: Halverson

This Order may contain confidential "commercial information" within the meaning of Utah Code Sec. 59-1-404, and is subject to disclosure restrictions as set out in that section and regulation pursuant to Utah Admin. Rule R861-1A-37. Subsection 6 of that rule, pursuant to Sec. 59-1-404(4)(b)(iii)(B), prohibits the parties from disclosing commercial information obtained from the opposing party to nonparties, outside of the hearing process. Pursuant to Utah Admin. Rule R861-1A-37(7), the Tax Commission may publish this decision, in its entirety, unless the property taxpayer responds in writing to the Commission, within 30 days of this notice, specifying the commercial information that the taxpayer wants protected. The taxpayer must send the response via email to taxredact@utah.gov, or via mail to Utah State Tax Commission, Appeals Division, 210 North 1950 West, CITY-1, Utah 84134.

Presiding:

Shannon Halverson, Administrative Law Judge

Appearances:

For Petitioner: REPRESENTATIVE-1 FOR TAXPAYER, Taxpayer Representative
REPRESENTATIVE-2 FOR TAXPAYER, MAI, Certified General
Appraiser
For Respondent: REPRESENTATIVE FOR RESPONDENT, Appraiser, COUNTY

STATEMENT OF THE CASE

Petitioner ("Taxpayer") brings this appeal from the decision of the COUNTY Board of Equalization ("the County"). This matter was argued in an Initial Hearing in accordance with Utah Code Ann. §59-1-502.5 by teleconference on September 1, 2020. The COUNTY Assessor's Office valued the subject property at \$\$\$\$ as of the January 1, 2018 lien date. The COUNTY

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Board of Equalization sustained the value. The County is asking the Commission to sustain the County's value at \$\$\$\$\$. The Taxpayer is requesting the value of the subject property be reduced to \$\$\$\$\$.

APPLICABLE LAW

Utah Code Ann. §59-2-103 provides for the assessment of property, as follows:

- (1) All tangible taxable property located within the state shall be assessed and taxed at a uniform and equal rate on the basis of its fair market value, as valued on January 1, unless otherwise provided by law.

For property tax purposes, "fair market value" is defined in Utah Code Ann. §59-2-102(13), as follows:

"Fair market value" means the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts. For purposes of taxation, "fair market value" shall be determined using the current zoning laws applicable to the property in question, except in cases where there is a reasonable probability of change in the zoning laws affecting that property in the tax year in question and the change would have an appreciable influence upon the value.

A person may appeal a decision of a county board of equalization, as provided in Utah Code Ann. §59-2-1006, in pertinent part, below:

- (1) Any person dissatisfied with the decision of the county board of equalization concerning the assessment and equalization of any property, or the determination of any exemption in which the person has an interest, may appeal that decision to the commission by filing a notice of appeal specifying the grounds for the appeal with the county auditor within 30 days after the final action of the county board...
- (3) In reviewing the county board's decision, the commission may:
 - (a) admit additional evidence;
 - (b) issue orders that it considers to be just and proper; and
 - (c) make any correction or change in the assessment or order of the county board of equalization.
- (4) In reviewing evidence submitted to the commission by or on behalf of an owner or a county, the commission shall consider and weigh:
 - (a) the accuracy, reliability, and comparability of the evidence presented by the owner or the county;

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- (b) if submitted, the sales price of relevant property that was under contract for sale as of the lien date but sold after the lien date;
 - (c) if submitted, the sales offering price of property that was offered for sale as of the lien date but did not sell, including considering and weighing the amount of time for which, and manner in which, the property was offered for sale; and
 - (d) if submitted, other evidence that is relevant to determining the fair market value of the property.
- (5) In reviewing the county board's decision, the commission shall adjust property valuations to reflect a value equalized with the assessed value of other comparable properties if:
- (a) the issue of equalization of property values is raised; and
 - (b) the commission determines that the property that is the subject of the appeal deviates in value plus or minus 5% from the assessed value of comparable properties.

The assessment of property after there has been a reduction in value is addressed in Utah Code Ann. §59-2-301.4, below, in pertinent part:

- (1) As used in this section, "valuation reduction" means a reduction in the value of property on appeal if that reduction was made:
 - (a) within the three years before the January 1 of the year in which the property is being assessed; and
 - (b) by a:
 - (i) county board of equalization in a final decision;
 - (ii) the commission in a final unappealable administrative order; or
 - (iii) a court of competent jurisdiction in a final unappealable judgment or order.
- (2) In assessing the fair market value of property subject to a valuation reduction, a county assessor shall consider in the assessor's determination of fair market value:
 - (a) any additional information about the property that was previously unknown or unaccounted for by the assessor that is made known on appeal; and
 - (b) whether the reasons for the valuation reduction continue to influence the fair market value of the property.
- (3) This section does not prohibit a county assessor from including as part of a determination of the fair market value of property any other factor affecting the fair market value of the property...

In a proceeding before the Tax Commission, the burden of proof is generally on the petitioner to support its position. To prevail in this case, the petitioner must: 1) demonstrate that the subject property's current value contains error; and 2) provide the Commission with a sound

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evidentiary basis for changing the subject property's current value to the amount it proposes. *See Nelson v. Bd. of Equalization of COUNTY*, 943 P.2d 1354 (Utah 1997); *Utah Power & Light Co. v. Utah State Tax Comm'n*, 590 P.2d 332 (Utah 1979); *Beaver County v. Utah State Tax Comm'n*, 916 P.2d 344 (Utah 1996); and *Utah Railway Co. v. Utah State Tax Comm'n*, 2000 UT 46, 5 P.3d 652 (Utah 2000).

DISCUSSION

The issue before the Commission is to determine what the fair market value of the subject property was as of the lien date. Property tax is based on the market value of the property as of January 1 of the tax year at issue, under Utah Code Ann. §59-2-103. Utah Code Ann. §59-2-102 defines "fair market value" as the "amount for which property would change hands between a willing buyer and seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts."

The "valuation reduction" provisions described in Utah Code Ann. §59-2-301.4 apply in this matter because the value of the subject property was reduced on appeal for the 2017 tax year. The original assessed value for the 2017 tax year was \$\$\$\$ and was reduced to \$\$\$\$ by the COUNTY Board of Equalization.

The subject property is located at SUBJECT PROPERTY in CITY-1, UT. It is comprised of a storage warehouse building ("main building") with ##### square feet of rentable area and a detached ##### square foot industrial shell building located on ##### acres of land. The main building was built in YEAR and has a ceiling height of ##### feet. The main building has an office. The square footage of the office area was in dispute between the parties, with the Taxpayer stating that the office square footage was %%% with ##### square feet, while the County asserted that the office square footage was %%% which included an additional ##### square foot mezzanine on the second floor. The Taxpayer submitted a photograph that showed a very minimal, utilitarian finish to a lunchroom located on the second floor. The main building is Construction Class S, metal construction of average quality and condition.

The industrial shell building is a three sided building that is fully open in the front and has holes on the east and west sides where the doors are removed. There is no heat and no water or sewer connections to the industrial shell building, but the building does have electricity. The interior of the building is open with no interior finish.

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The buildings are located on an interior flag lot with a pan handle shape that allows ingress and egress on that narrow strip of land. The lot has minimal frontage exposure along #####-South due to the shape of the lot. One side of the lot backs up to a rail line. The site coverage ratio is %%%%, and the site is an unpaved, compacted road base. The subject property is owner occupied. The property is located in an industrial area with neighboring properties being used primarily for industrial purposes.

The Taxpayer submitted an appraisal prepared by REPRESENTATIVE-2 FOR TAXPAYER, MAI, Utah Certified General Appraiser, as evidence for his proposed valuation of the subject property. The appraisal concluded a market value of \$\$\$\$ as of the January 1, 2018 lien date. The appraisal used a sales comparison approach to determine the value of the main building and used a cost based valuation derived from Marshall Valuation Service data to determine the value of the industrial shell building. The appraisal used the following comparable sales for its sales comparison approach:

	Subject	One	Two	Three	Four	Five	Six
Address	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Gross Bldg Size	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Site Area	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Land/Building Ratio	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Site Coverage Ratio	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Sale Price	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Property Rights	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Year Built/Renovated	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Clear Height	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Office Ratio	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Effective Age	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Construction Class	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Date of Sale	REDACTED	REDACTED	1/11/2018	1/13/2017	5/9/2016	7/29/2016	5/2/2014
Quality	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Sales Price/Sq. Ft.	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Property Rights Adjustment	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Market time adj.	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED

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Location/exposure	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Effective Age Adj.	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Quality Construction Adj.	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Size Adj.	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Site Coverage Ratio Adjustment	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Finish Percentage Adj.	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Ceiling Height Adj.	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Net Adjustments/Sq. Ft.	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Adjusted Price/Sq Ft.	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED

The appraisal determined an adjusted price range of \$\$\$\$ per square foot to \$\$\$\$ per square foot with a median price per square foot of \$\$\$\$ and an average price per square foot of \$\$\$\$, with adjustments being made for property rights, market conditions, location, effective age, construction quality, size, site coverage ratio, finish percentage, and ceiling height. The appraisal concluded a value of \$\$\$\$ per square foot and calculated the estimated value of the subject property by multiplying \$\$\$\$ by ##### square feet to reach an estimated value of \$\$\$\$. The appraisal then added on a depreciated cost estimate of the industrial shell building of \$\$\$\$, using the base cost of \$\$\$\$ per square foot derived from Marshall Valuation Service data and adjusting that value up by four percent for ceiling height for a value of \$\$\$\$ multiplied by the building square footage of ##### square feet. The appraisal reduced the value by %%% for depreciation and made that reduction based on the effective age of 20 years and an economic life of ##### years. The total valuation for the property was calculated as follows:

Industrial Shell Building Value (REDACTED)	REDACTED
Less Depreciation (-REDACTED%)	REDACTED
Depreciated Cost Total	REDACTED
Total Property Value	REDACTED
Total Property Value + Depreciated Cost Total of Industrial Shell Building	REDACTED
Rounded Total	REDACTED

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At the Initial Hearing, the County submitted an updated sales comparison approach to support the current value for the subject property. The County used the following comparable sales for its sales comparison approach:

	Subject	One	Two	Three	Four
Address	SUBJECT PROPERTY	2745 W California Ave	4228 West 1730 South	575 West 3615 South	2482 South 3270 West
Acres	9.16	4.86	4.74	2.95	2.73
Year Built	1998	1997	1995	1971	1971
Construction Class	S	S	S	S	S
Quality of Construction	Average	Average	Good	Average	Average
Condition	Average	Average	Average	Fair	Average
Building Size (Sq. Ft.)	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Finished Area	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Structure Height	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Land/Building Ratio		REDACTED	REDACTED	REDACTED	REDACTED
Sale Date		REDACTED	REDACTED	REDACTED	REDACTED
Sale Price		REDACTED	REDACTED	REDACTED	REDACTED
Price Per Sq. Ft.		REDACTED	REDACTED	REDACTED	REDACTED
Market Conditions Adj.		REDACTED	REDACTED	REDACTED	REDACTED
Location Adj.		REDACTED	REDACTED	REDACTED	REDACTED
Size		REDACTED	REDACTED	REDACTED	REDACTED
Age/Condition Adj.		REDACTED	REDACTED	REDACTED	REDACTED
Quality/Appeal Adj.		REDACTED	REDACTED	REDACTED	REDACTED
Office Finish Adj.		REDACTED	REDACTED	REDACTED	REDACTED
Height Adj.		REDACTED	REDACTED	REDACTED	REDACTED
Land/Building Ratio Site Coverage Adj.		REDACTED	REDACTED	REDACTED	REDACTED
Net Adjustments		REDACTED	REDACTED	REDACTED	REDACTED
Adjusted Price Per Sq. Ft.		REDACTED	REDACTED	REDACTED	REDACTED

The County determined an adjusted price range of \$\$\$\$\$ per square foot to \$\$\$\$\$ per square foot with a median price per square foot of \$\$\$\$\$ and an average price per square foot of \$\$\$\$\$, with adjustments being made for market conditions, location, size, age/condition, quality/appeal, office finish, height, and land to building ratio/site coverage ratio. The County

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concluded an indicated rate of \$\$\$\$ per square foot and calculated the estimated value of the subject property by multiplying the \$\$\$\$ by ##### square feet to reach an estimated value of \$\$\$\$\$. The County also indicated a Marshall & Swift derived cost value for the industrial shell building of \$\$\$\$\$ but provided no information regarding how that value was calculated. The County asserted that these two values support the subject property's current assessed value of \$\$\$\$\$.

The COUNTY Board of Equalization Hearing Record for the 2018 tax year indicated that the County used an income approach to determine the assessed value of the subject property. The County's income approach calculations were as follows:

Potential Gross Income (REDACTED+REDACTED) *REDACTED/sf	REDACTED
REDACTED Vacancy	REDACTED
Effective Gross Income	REDACTED
REDACTED Expenses	REDACTED
Net Operating Income	REDACTED
Cap/Tax/OAR	REDACTED
Capitalized Income	REDACTED
Less CZ Adjustment	REDACTED
Assessed Value	REDACTED

The County concluded a lease rate of \$\$\$\$ annually per square foot, a %%%% vacancy rate, a rate of %%%% for expenses, a capitalization rate of %%%%, and made a downward CZ adjustment of \$\$\$\$\$. The County supported its capitalization rate with sales of office/warehouse and storage properties that ranged from %%%% to %%%% and with the Newmark Grubb Acres Yearend Report 2017 that showed capitalization rates for Overall Industrial at %%%%, Manufacturing at %%%%, and General Purpose at %%%%. The County indicated that the downward CZ adjustment was used to correct the situation where size has prompted an improper capitalization rate and indicated the dollar adjustment represents the difference in capitalized value between the table derived capitalization rate and the corrected capitalization rate. There was no evidence submitted to support the County's indicated lease rate

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or expense rate. The County also provided no information on how the downward CZ adjustment was calculated.

At the Initial Hearing, the County argued that overall, the adjustments made in the appraisal presented by the Taxpayer were very high. The County noted that the appraisal took an across the board location adjustment of -% on all comparables due to the lack of frontage exposure on the subject property. The County argued that the subject property has access and doesn't need to have exposure for its current use.

The County criticized the appraisal's use of comparable number two due to the property's size and small amount of land when compared with the subject property. The County also criticized the appraisal's use of comparable number five, arguing that the ##### square foot building is much larger than the subject property and the comparable was not really a comparable property because it was adjusted by % .

The County presented four comparables at the Initial Hearing in support of its position. The County's comparable number three is a shared comparable with the Taxpayer's appraisal. However, the County's adjusted price per square foot differed significantly from the Taxpayer's adjusted price per square foot. The County determined that the adjusted price per square foot for that comparable was \$\$\$\$\$, while the Taxpayer's adjusted price per square foot for that comparable was \$\$\$\$\$. The differences in the adjusted price per square foot can be accounted for by the County's square footage for the property being listed at ##### while the Taxpayer's listed square footage for the property was #####. Additionally, the County's adjustments to the price per square foot of the property included a % market condition adjustment and an additional net adjustment of % that was comprised of upwards adjustments of % for location, % for size, % for age, % for height, and % for land to building ratio and a downward adjustment of -% for office finish. The Taxpayer's adjustments to the property included a % market time adjustment and an additional net adjustment of 1% that was comprised of upward adjustments of % for effective age, % for site coverage ratio, and % for ceiling height and downward adjustments of -% for location, -% for construction quality, and -% for finish percentage.

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The Taxpayer's representative argued that the adjustments the County made to their sales comparables used in their sales comparison approach were not credible due to the lack of location adjustments for all comparables, the lack of consistency in the adjustments, and the lack of a statistical formula being used to make those adjustments. The Taxpayer's representative submitted a grid detailing the lack of consistency in the County's adjustments for market conditions, location, size, age, quality, office finish percentage, and height, and detailing concerns regarding the lack of adjustments for property rights or building class. The Taxpayer's representative also submitted photographs of both the assessor's sales comparables and the comparables submitted in the appraisal, providing evidence of the condition of the buildings and evidence of the condition of the property, including the comparability of the comparable parcels' land values.

The Taxpayer's representative submitted evidence that the County's comparable number four had the wrong sale date and the wrong sale price. The Taxpayer's representative provided evidence that the County's comparable number four located at ADDRESS-2 actually sold on DATE, 2016 for the price of \$\$\$\$\$ for an unadjusted price of \$\$\$\$\$ per square foot.

The Taxpayer's representative also submitted evidence arguing that an income approach for the subject property should be calculated as follows:

Potential Gross Income (#####*\$\$\$\$\$/sf)	REDACTED
% Vacancy	REDACTED
Effective Gross Income	REDACTED
% Expenses	REDACTED
Net Operating Income	REDACTED
Capitalization Rate	REDACTED
Capitalized Income	REDACTED
Add Value of Industrial Shell Building	REDACTED
Total Value	REDACTED

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The Taxpayer's representative's calculations included an annual lease rate of \$\$\$\$ and used the Industrial COUNTY Market Overview Achieved Average Lease Rate Price Per Square Foot for Triple Net Leases published in the Newmark Grubb Acres Yearend Report 2017 as its supporting evidence for the indicated lease rate. The Taxpayer used the County's indicated vacancy and expense rates. Additionally, the Taxpayer's income approach used a %%% capitalization rate, which was the capitalization rate recommended in the Assessor's Proposed Conference Record dated December 3, 2018, that was submitted to the COUNTY Board of Equalization.

The Commission must also consider whether the subject property's assessed valuation had been reduced on appeal in the three prior tax years. The "valuation reduction" provisions described in Utah Code Ann. §59-2-301.4 apply in this matter because the value of the subject property was reduced on appeal for the 2017 tax year. The original assessed value for the 2017 tax year was \$\$\$\$ and was reduced to \$\$\$\$ by the COUNTY Board of Equalization. If a valuation reduction occurs within three years before the lien date at issue, the county assessor is required to consider the valuation reduction in assessing the fair market value of the property. In accordance with Utah Code Ann. §59-2-301.4(2), the County shall consider "(a) any additional information about the property that was previously unknown or unaccounted for by the assessor that is made known on appeal; and (b) whether the reasons for the valuation reduction continue to influence the fair market value of the property" when determining the property's fair market value.

The Taxpayer submitted the COUNTY Board of Equalization Hearing Record for the 2017 tax year as evidence of this reduction, and the County acknowledged that there had been a reduction in value for the prior year. In the 2017 Board of Equalization Hearing Record, the Board of Equalization found that the Assessor's valuation did not appear to take the subject property's condition wholly into consideration, noting that there was no mention of the additional holes in the second building. The Commission finds that the primary basis for the reduction in 2017 does exist for the 2018 tax year and the reasons for the valuation reduction continue to influence the fair market value of the subject property.

After reviewing the appraisal and other evidence submitted by the Taxpayer and the evidence submitted by the County, the weight of the evidence indicates an error has been shown in the County's value for the subject property. The Taxpayer has provided evidence that at least

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one of the County's sales comparables contains error and has submitted evidence that the County's comparables are in a superior condition. The Taxpayer also provided evidence that the County's adjustments to their comparables lack consistency. Additionally, the Commission finds that the Assessor's valuation did not take the subject property's condition wholly into consideration and the primary basis for the reduction in 2017 still exists and the reasons for the valuation reduction continue to influence the fair market value of the subject property. Although very little weight was given to the County's and the Taxpayer's income approach valuations, as neither party argued those valuations at the Initial Hearing, the Commission does note that the County's income approach valuation included the square footage of the industrial shell building in the rentable square footage to determine gross income, rather than excluding the square footage of the industrial shell building from the rentable square footage and adding the cost value of the industrial shell building to the value of the subject property after the capitalized income for the property had been determined.

However, the Taxpayer has provided an appraisal, with an appraisal conclusion that appears low due to the differences in the square footage of the comparable properties, the comparable sale dates being older, the differences in finished office percentage, and the comparability of the sales due to size. The Taxpayer and the County had one shared comparable, which was comparable three submitted by both parties. This comparable was the Taxpayer's highest submitted comparable and the County's lowest submitted comparable. This comparable had an indicated value of \$\$\$\$\$ after appraisal adjustments in the Taxpayer's appraisal and had an indicated value of \$\$\$\$\$ after appraisal adjustments in the evidence submitted by the County. Although the County criticized the location adjustments made in the Taxpayer's appraisal, the County's adjustments did not adequately account for the subject property's lack of frontage and were generally inconsistent as evidenced by the Taxpayer's grid detailing the lack of consistency in the County's adjustments. The Commission finds that the appraisal adjustments made in the Taxpayer's appraisal are more credible.

Based on the foregoing, the Commission finds a value of \$\$\$\$\$ per square foot is supported by the weight of the evidence for the subject property. The estimated value of the subject property should be determined by multiplying \$\$\$\$\$ by ##### square feet to reach an estimated value of \$\$\$\$\$. The Taxpayer's appraisal value of \$\$\$\$\$ for the cost of the industrial

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shell building should then be added to that estimated value, as the County did not provide any information regarding how their \$\$\$\$ value asserted at the Initial Hearing was calculated. This indicates a value for the subject property of \$\$\$\$ as of the January 1, 2018, lien date.

The Commission finds that the reduction in value to \$\$\$\$ is warranted even though the 2018 indicated value of \$\$\$\$ is lower than the 2017 assessed value of \$\$. The Commission notes that the 2017 assessed value was reduced by the COUNTY Board of Equalization on appeal. However, the appeal of the 2017 assessed value was not reviewed by the Commission and the 2017 COUNTY Board of Equalization Record indicates that the reduction of the 2017 assessed value was made on the basis that the condition of the industrial shell building was not taken wholly into consideration. At the Initial Hearing for the 2018 tax year, the Taxpayer's representative provided evidence that, in addition to a reduction being made for the condition of the industrial shell building, the value of the subject property should include reductions based on the construction quality, lack of frontage for the subject property's location, and the fact that the site is an unpaved, compacted road base unlike the paved lots of the submitted comparable properties.

Shannon Halverson
Administrative Law Judge

DECISION AND ORDER

Based on the foregoing, the Commission finds the value of the subject property was \$\$\$\$ as of the January 1, 2018 lien date. The COUNTY Auditor is ordered to adjust its records accordingly. It is so ordered.

This decision does not limit a party's right to a Formal Hearing. However, this Decision and Order will become the Final Decision and Order of the Commission unless any party to this case files a written request within thirty (30) days of the date of this decision to proceed to a Formal Hearing. Such a request shall be mailed, or emailed, to the address listed below and must include the Petitioner's name, address, and appeal number:

Utah State Tax Commission
Appeals Division
210 North 1950 West
Salt Lake City, Utah 84134

or emailed to:
taxappeals@utah.gov

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Failure to request a Formal Hearing will preclude any further appeal rights in this matter.

DATED this 8th day of December, 2020.

John L. Valentine
Commission Chair

Michael J. Cragun
Commissioner

Rebecca L. Rockwell
Commissioner

Lawrence C. Walters
Commissioner