

commonly consider potential future uses as part of a highest and best use analysis. APPRAISAL INSTITUTE, THE APPRAISAL OF REAL ESTATE 345-48 (14th ed. 2013) (“In market value appraisals of improved property, appraisers consider a number of alternative uses of the existing improvements.”)

Moreover, “A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because those costs affect the price the buyer agrees to pay.” THE APPRAISAL OF REAL ESTATE 412. These expenditures can include, but are not limited to, costs to demolish and remove a portion of the improvements and costs for additions or improvements to the property. *Id.* “The relevant figure is not the actual cost that was incurred but the cost that was *anticipated* by both the buyer and seller.” *Id.* (emphasis added). Because the County’s intent, if it were the successful purchaser of the subject property, was to raze the existing improvements – PAAB finds its offer price would more closely reflect the value of the subject parcels as if vacant. The offer price does not reflect the subject property’s current use and we give it no consideration.

Viewing the record as a whole, we find Vulcan Gas failed to sustain its burden under section 441.21(3(b)(2) to show the subject parcels are inequitably assessed, over assessed, or that there is an error in the assessments. Lastly, we also question the credibility of Chodur, as his hearing testimony suggested he previously made a false statement in a filing to PAAB. Thus, to the extent it is necessary, we discount the reliability of his testimony.

Order

PAAB HEREBY AFFIRMS the Mason City Board of Review’s action.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2017).

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.