

# DN Editorial: AVI ASSESSMENT: Sorry, critics: It's done its job pretty well

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NOW THAT WE are over the initial shock of opening those envelopes with new property values, it's time to take stock of how the AVI reassessment process has gone. The short, and probably surprising, answer is: Not so bad.

People may not like the results - some are yelling loudly about higher taxes on thousands of properties - but, overall, AVI has produced values much more in line with reality, especially compared with the Fantasy Land values we had before. (And keep in mind, the many people who will now actually be paying less aren't doing much screaming.)

But we're not crazy; we know there have been problems. We've heard enough anecdotal evidence from the neighborhoods to know where reassessment came up a cropper: abandoned buildings getting assessed as occupied; vacant land underassessed; just plain old-fashioned errors that crept into the final product.

But, these errors can be corrected, especially if reported. Besides, AVI was never meant to be once and done, given the massive nature of the project. Richie McKeithen, head of the Office of Property Assessment, has always said that it will take three years to get the error rate down.

We do wonder why OPA adopted a complicated equation to value the land portion of the properties. The usual practice is to take the total market value determined by assessors and apply 20 percent to the land and 80 percent to the structure. It's not sophisticated, but at least it makes sense to the everyday homeowner. When OPA tried to explain how it arrived at the value, it only made matters worse. Any explanation that begins "We did a hedonic regression . . ." is doomed to be a source of confusion.

We have already criticized city leaders for a lame job of educating and communicating with taxpayers for the past year or so, when targeted messaging could have better prepared people for their new assessments. The fact that many people saw a new property value twice or three times their old value and assumed that their taxes would go up by the same

amount is exactly the misconception that has people picking up their pitchforks and heading into the village looking for blood.

And shame on the politicians who have seen these pitchforks and tried to whip up more frenzy (put City Controller Alan Butkovitz at the head of this list, as well as many Council members).

AVI is not fatally flawed nor unfair. The proof is in the numbers. All 579,000 parcels in the city were reassessed under AVI, and anyone who objected to the new values had the right to appeal directly to OPA by filling out a form. As of the April 1 deadline for most of those assessed, OPA had received only 27,000 appeals.

That is an appeal rate of less than 5 percent. McKeithen said that the industry norm for appeals for widespread reassessments is 10 percent.

The bottom line is that although many homeowners are unhappy with their new values, they cannot claim, nor have they claimed, that they are unfair.

The 27,000 who do believe that their assessments are in error have the right to have their case heard by OPA. If they dislike the verdict, they can appeal to the Board of Revisions of Taxes.