Board of Trustees
Scarsdale, NY 10583

Hello,

In anticipation of the November 17 Committee of the Whole meeting, I developed some questions for J.F. Ryan Associates. I thought it would be helpful to provide these in advance, so Mr. Ryan and Assessor Albanese can prepare for them.

Land Valuation. The 2014 revaluation included a full redetermination of all land values. This was based on sales of vacant land and teardowns, and it involved the identification of 14 separate residential neighborhoods (two for the Greenacres school and three for each of the other elementary schools). Tyler developed formulas for each neighborhood showing the land value as a function of acreage. For the majority of single family residences, land values followed these formulas. In some cases, land values were set at percentages of the formula amount (*e.g.*, 95% of the formula amount) due to factors such as busy streets, flooding, etc.

- The overall question is, how will land values be determined for the 2016 revaluation? More specific questions follow.

- Will it be a full redetermination based on a new set of sales of vacant land and teardowns?

- Will there be a new assignment of residential neighborhoods, and not the existing 14 neighborhoods?

- What specific steps, if any, are being taken to avoid the "gerrymander" appearance in Fox Meadow, where neighborhoods 201, 202 and 203 were fragmented and intermingled with each other?

- Or is land valuation out of scope, such that will land values be left at their current 2014-2015 levels? Or what?

Property Characteristics Used in the Valuation. For most residential properties, the 2014 revaluation employed a "comparable sales algorithm" technique for most single family residences, meaning there was a two-step process of (1) developing a regression-based model, followed by (2) identifying five (or fewer) comparable sales, using the model to adjust their sales prices and calculating a weighted average of the adjusted sales prices. It has been explained that the 2016 revaluation will employ a "direct market model", meaning that values will directly use the regression-based model with no use of comparables. In 2014, the model was only disclosed after FOIL requests and public comments.

- Will the model for 2016 (and the underlying sales on which it was based) be made public before the release of the tentative valuation roll, so that it will not be necessary for members of the public to submit FOIL requests in order to see and understand the model?

- Will the model be based on any property characteristics *other than* those that can be seen on www.scarsdale.com using the Online Property Inquiry facility? (Or, stated differently, if it turns out that the model does include property characteristics that are not online, will you update the Online Property Inquiry facility to include those characteristics before release of the tentative roll?)

- Can you confirm that the 2016 revaluation will not change property characteristics from their current values except for characteristics that can be observed from the public right-of-way and possibly for land values as questioned above? (This question does not apply to new construction and renovations of existing homes.)

- The August 21, 2015 press release references the "correction of existing inventory." What are typical examples of inventory corrections?

- The 2014 revaluation employed a framework for the "grade" and "grade adjustment percentage" property characteristics that goes well beyond what is indicated in the New York State Assessor's Manual. This framework essentially created 49 separate categories of construction quality[1]. The manual usefully describes the differences among grade A, B and C properties, but there were no written standards to enable an objective person to discern among the spectrum of grade adjustment percentages. Also, for smaller size houses, the 2014 model counterintuitively put a higher value on a "C 110" grade than a "B 90" grade. One would not normally expect a "C-plus" to be better than a "B-minus". What specific steps, if any, are being taken to better explain the grade adjustment percentages and to eliminate confusing impacts?

Sincerely,

Michael Levine
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[1] Specifically C 90% to C 125% in 5% intervals, B 90% to C 125% in 5% intervals, and A 90% to A 250% in 5% intervals.