



# THE CITY OF CHICO



## 2010/11 PROPERTY TAX SUMMARY

The City of Chico experienced a net taxable value decrease of -3.1% for the 2010/11 tax roll, which was slightly more than the decrease experienced countywide at -1.7%. The assessed value decrease between 2009/10 and 2010/11 was \$-231 million. The change attributed to the assessor granted -0.237% CPI adjustment was \$-16.2 million, which contributed to the overall decline in assessed value this year.

The largest assessed value increase was reported on a vacant parcel owned by Webb Homes at 101 Risa Way. The parcel was purchased in 2009 and has been reappraised to reflect the value paid in the transaction for an increase of \$1.8 million. The California Water Service Company added new improvement values of \$1.6 million on both of its 2 sites. One site is on Bryant between Filbert and Villombrosa Avenues, and the second is on the southeast corner of E. Sixteenth Street and Locust Street.

The largest assessed value decline was posted by Chico East and Esplanade LP at 211 W. East Avenue. (Raley's site) This property was purchased in 2007 at the peak of the real estate market and has been reduced through an appeal for a reduction of \$6.5 million. Enloe Medical Center at 251 Cohasset Road and Community Action Agency of Butte each had their exemptions applied prior to the release of the roll this year for reductions of \$6 million and \$4.6 million respectively. Commercial and industrial appeals are being granted in large numbers resulting in reduced values. Some of the downward adjustments will be Prop 8 reductions and subject to recapturing when the economy rebounds.

The housing market's strongest rebound came in the first half of 2010, as home buying increased due to a federal home buyer's tax credit. The tax credit shifted sales, which normally would have occurred over the summer buying season, to earlier in the year. With economic conditions likely to keep home prices and interest rates near historic lows, there appears to be little incentive for buyers to rush into the market. The median sale price of a single family home in Chico from January through November 2010 was \$235,000. This represents a \$10,000 (-4.1%) decrease in median sale price from 2009.

Year	SFR Sales	Median Price	% Change	2010/11 Tax Shift Summary	
2004	1,031	\$269,500		ERAF I & II	\$-1,517,314
2005	1,142	\$315,500	17.07%	RDA SERAF	\$-1,902,195
2006	987	\$310,000	-1.74%	VLFAA (est.)	\$6,490,036
2007	928	\$305,000	-1.61%	Triple Flip	\$3,884,299
2008	831	\$270,000	-11.48%	Triple Flip True up	\$-102,509
2009	787	\$245,000	-9.26%		
2010	669	\$235,000	-4.08%		

### Top 10 Property Taxpayers

Owner	Revenue	% of Total	Use Type
1. SIERRA NEVADA BREWING	\$1,172,830.79	3.31%	Unsecured
2. CHICO MALL LP	\$595,212.20	1.68%	Commercial
3. CHICO CROSSROADS LP	\$288,614.63	0.81%	Commercial
4. AERO UNION CORPORATION	\$249,340.99	0.70%	Unsecured
5. CARWOOD SKYPARK LLC	\$245,587.25	0.69%	Commercial
6. COSTCO WHOLESALE	\$213,919.14	0.60%	Commercial
7. CALIFORNIA WATER SERVICE	\$203,381.70	0.57%	Miscellaneous
8. MERLE A WEBB AND SONS	\$200,308.11	0.56%	Residential
9. EVERGREEN ORCHARD LLC	\$191,883.46	0.54%	Commercial
10. SMUCKER QUALITY BEVERAGES	\$179,623.62	0.51%	Miscellaneous
<b>Top Ten Total</b>	<b>\$3,540,701.88</b>	<b>9.98%</b>	

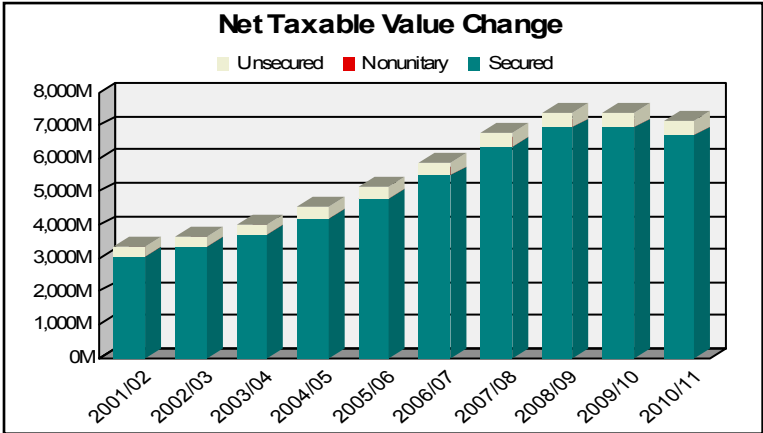
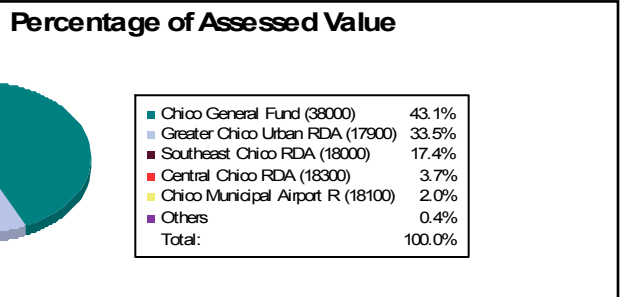
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## 2010/11 PROPERTY TAX REVIEW

Tax Year	Total Taxable Value
2010/11	7,159,780,213
2009/10	7,390,941,271
	<b>-231,161,058 Total Value Change</b>
	<b>Dollar Change Change Event</b>
	-16,228,377 Net Value Change of CPI Growth (-0.237%)
	-311,503,179 Net Change of Parcels with Negative Growth
	343,969 Unsecured Roll Change
	36,115,763 Transfer of Ownership Change
	25,564,929 Non Residential New Construction
	34,545,838 Other Net AV Change
	<b>-231,161,058</b>

Category	\$ Change	% Change
Residential	-\$104,089,128	-2.11%
Commercial	-\$65,160,144	-4.86%
Industrial	-\$19,681,895	-8.52%
Institutional	-\$4,568,521	-7.65%
Irrigated	-\$5,845	-0.25%
Miscellaneous	\$3,850,204	8.28%
Recreational	-\$2,687,534	-13.44%
Vacant	-\$39,195,508	-13.02%
Outer Parcels	\$4,528,866	1.28%
SBE Nonunitary	\$134,744	15.16%
Cross Reference	-\$101,400	-1.15%
Unsecured	\$343,969	0.08%

Change by Component	Total	Personal Property
Entire City	-3.13%	21.23%
Chico General Fund	-2.71%	52.20%
Southeast RDA & 1983 Amendr	-4.77%	-3.80%
Chico Municipal Airport RDA	6.03%	51.66%
Central Chico RDA	-0.66%	-8.94%
Greater Chico Urban RDA	-3.54%	-6.53%
Merged Project Area	-3.44%	3.56%
Countywide	-1.66%	4.57%



**Notes:**

- 16,260 properties were impacted by the negative CPI and were reduced .237% between 2009-10 and 2010-11. This is 67.2% of the parcels in the City. 5,460 properties (22.6% of the city) received deeper reductions of an average of 13.58% per parcel due to continuing Prop 8 reviews and devalued sales transactions in 2009.
- The median sales price of single family homes during the first 11 months of 2010 is tracking slightly lower than what was posted last year. On average, when homes sell, they are selling for 4% less (\$10K less) than the homes that sold last year.
- The largest value reduction was posted by Chico East and Esplanade LLC at 211 W. East Ave. (Raley's site) This property was purchased in 2007 and has been reduced to account for declining market values.
- Commercial and Industrial reductions through appeal activity are already being felt in the city. There were 47 fewer vacant parcels for a decline of \$39 million.
- The CPI adjustment for the 2011-12 FY is .753%.

Top 10 Taxpayers Based on City Revenue 2010/11	Rank	Top 10 Taxpayers Based on City Revenue 2009/10
SIERRA NEVADA BREWING	1	SIERRA NEVADA BREWING COMPANY
CHICO MALL LP	2	CHICO MALL LP
CHICO CROSSROADS LP	3	CHICO CROSSROADS LP
AERO UNION CORPORATION	4	CARWOOD SKYPARK LLC
CARWOOD SKYPARK LLC	5	COSTCO WHOLESALE CORPORATION
COSTCO WHOLESALE	6	MERLE A. WEBB AND SONS
CALIFORNIA WATER SERVICE	7	EVERGREEN ORCHARD LLC
MERLE A WEBB AND SONS	8	CALIFORNIA WATER SERVICE COMPANY
EVERGREEN ORCHARD LLC	9	LOWES HIW INC
SMUCKER QUALITY BEVERAGES	10	CHICO LODGING

# Real Estate Trends

## Home Sales

Home sales improved slightly during the 2nd quarter of 2010 in most parts of the state, in part because sales of lower cost foreclosure re-sales have continued to taper off and sales of higher cost homes have risen. However, limited financing options and tight lending standards continue to put downward pressure on home sales. The median price of an existing, single family detached home in California during June 2010 was \$270,000, a 9.8 percent increase from \$246,000 in June 2009. Of the existing homes sold in June 2010, 35 percent were properties that had been in foreclosure.

All Homes	Units Sold July-09	Units Sold July-10	% Change	Median Price July-09	Median Price July-10	% Change
Butte County	227	167	-26.43%	\$200,000	\$186,500	-6.75%
Nevada County	156	120	-23.08%	\$320,000	\$294,000	-8.13%
Placer County	622	572	-8.04%	\$296,000	\$285,000	-3.72%
Sutter County	112	87	-22.32%	\$163,000	\$170,000	4.29%
Tehama County	31	29	-6.45%	\$160,000	\$65,250	-59.22%
Yolo County	241	187	-22.41%	\$280,000	\$247,100	-11.75%

## 2011-12 Inflationary Adjustment

The 2011-12 Proposition 13 annual inflation adjustment of real property values will be 0.753 percent. This will be the seventh time that the inflation adjustment is less than the maximum two percent allowed by Proposition 13. Last year real property values were reduced 0.237 percent, the first ever negative inflationary adjustment under Proposition 13. The annual inflation adjustment is based on the California Consumer Price Index (CCPI) measured each October from the previous October. The adjustment applies to the Proposition 13 base of real property. The Proposition 13 base value is typically established at the market price of a property upon a change of ownership, and then adjusted annually for inflation.

