



THE CITY OF CHICO



2012/13 PROPERTY TAX SUMMARY

The City of Chico experienced a net taxable value decrease of -2.1% for the 2012/13 tax roll, which was slightly more than the decrease experienced countywide at -1.2%. The assessed value decrease between 2011/12 and 2012/13 was \$-152 million. The change attributed to the 2% Proposition 13 inflation adjustment was \$129 million, which was more than offset by reductions caused by properties with declining values.

The largest assessed value increase was reported on a multi-family residential site owned by DHI Trans Pacific Gardens Associates (Trans Pacific Gardens II) at 729 Nord Avenue which reflects an ownership change and a failure to process an exemption prior to the release of the rol for 2012-13I. The tax bill was also issued without an exemption applied. The year to year increase for taxation was \$6.2 million. Chico Lodging LLC at 2481 Carmichael Drive (Courtyard by Marriott) was purchased in 2010 and the value includes the price paid in the sale for an increase of \$4.7 million. The Valley Oak Veterinary Hospital LLC at 2480 Dr. MLK Jr. Parkway added new improvement values for an increase of \$2.3 million.

The largest decline was posted on a multi-family residential property owned by Chico Parkside Terrace LP at 2161 Hartford Drive that was granted a full welfare exemption after an increase in improvement values in the current tax year and removed \$9.3 million from the taxable rolls. Three commercial parcels owned by Chico Mall Investors LLC at 1950 and 1962 E. 20th Street reflect a change of ownership and a reduction of value totaling \$11.6 million.

The housing market began to rebound during the first half of 2012, as home buying increased due to low interest rates and affordable prices. Foreclosures are at their lowest levels in five years. Median prices and numbers of sale transactions are up statewide. The housing market is poised for recovery but the speed and magnitude of the recovery will depend on the overall economy. The median sale price of a single family home in Chico from January through August 2012 was \$219,500. This represents a \$9,500 (4.5%) increase in median sale price from 2011.

Year	SFR Sales	Median Price	% Change
2006	948	\$309,046	
2007	901	\$304,500	-1.47%
2008	795	\$269,000	-11.66%
2009	756	\$242,000	-10.04%
2010	702	\$230,000	-4.96%
2011	766	\$210,000	-8.70%
2012	621	\$219,500	4.52%

2012/13 Tax Shift Summary

ERAF I & II	\$-1,469,938
VLFAA (est.)	\$6,337,732
Triple Flip	\$3,952,468
Triple Flip True up	\$111,708

Top 10 Property Taxpayers

Owner	Revenue	% of Total	Use Type
1. SIERRA NEVADA BREWING COMPANY	\$1,246,504.55	3.68%	Unsecured
2. CHICO MALL INVESTORS LLC	\$436,261.66	1.29%	Commercial
3. CHICO CROSSROADS LP	\$310,337.10	0.92%	Commercial
4. CALIFORNIA WATER SERVICE COMPANY	\$233,880.28	0.69%	Miscellaneous
5. CARWOOD SKYPARK LLC ETAL	\$230,216.56	0.68%	Commercial
6. COSTCO WHOLESALE CORPORATION	\$183,347.33	0.54%	Commercial
7. CHICO LODGING LLC	\$169,430.21	0.50%	Commercial
8. WALMART REAL ESTATE BUSINESS TRUST	\$169,203.03	0.50%	Commercial
9. BANK OF THE WEST	\$153,139.16	0.45%	Commercial
10. LOWES HIW INC	\$151,131.44	0.45%	Commercial
Top Ten Total	\$3,283,451.32	9.70%	

Real Estate Trends

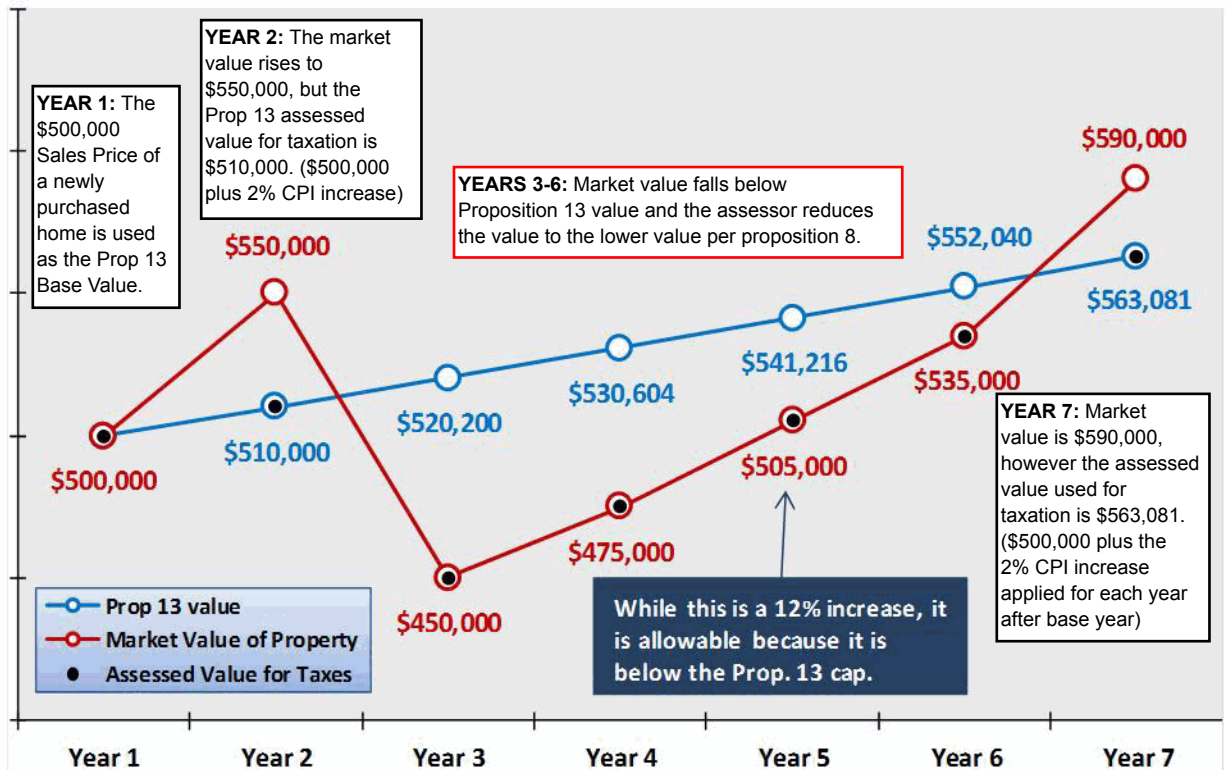
Home Sales

Home sales have begun to rebound in many parts of the State. The increased sales are due to less distressed homes on the market and buyers beginning to purchase in mid and high end areas. Low mortgage rates and affordable prices are proving attractive for buyers and finally convincing them to reenter the market. The reported median price of an existing, single family detached home in California during July 2012 was \$281,000. This was an 11.5 percent increase from \$252,000 in July 2011.

All Homes	Units Sold July-2011	Units Sold July-2012	% Change	Median Price July-2011	Median Price July-2012	% Change
Butte County	192	259	34.90%	\$160,000	\$163,500	2.19%
Nevada County	155	181	16.77%	\$261,000	\$275,000	5.36%
Placer County	624	721	15.54%	\$255,000	\$290,500	13.92%
Shasta County	164	206	25.61%	\$145,000	\$155,000	6.90%
Sutter County	96	89	-7.29%	\$140,000	\$148,500	6.07%
Tehama County	34	36	5.88%	\$96,000	\$93,000	-3.13%
Yolo County	199	221	11.06%	\$225,000	\$260,000	15.56%

Recapturing Proposition 8 Reductions

Proposition 13 caps the growth of a property's assessment at no more than 2% each year unless the market value of property falls lower. When property values decline Proposition 8 which was passed by the voters in 1978 allows the property to be temporarily assessed at the lower value. Once reduced, the assessed value and property taxes may increase by more than 2% a year as the property values rise during a real estate recovery. The "recaptured" values can be adjusted upward to the annually adjusted Proposition 13 cap (blue line below).

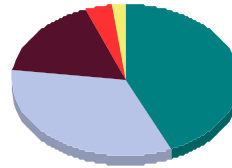


<u>Tax Year</u>	<u>Total Taxable Value</u>
2012/13	6,932,525,587
2011/12	7,084,473,701
	-151,948,114 Total Value Change
	Dollar Change Change Event
	128,959,548 Net Value Change of CPI Growth (2.000%)
	-303,056,325 Net Change of Parcels with Negative Growth
	-12,068,508 Unsecured Roll Change
	7,836,565 Transfer of Ownership Change
	54,980,781 Non Residential New Construction
	-28,600,175 Other Net AV Change
	-151,948,114

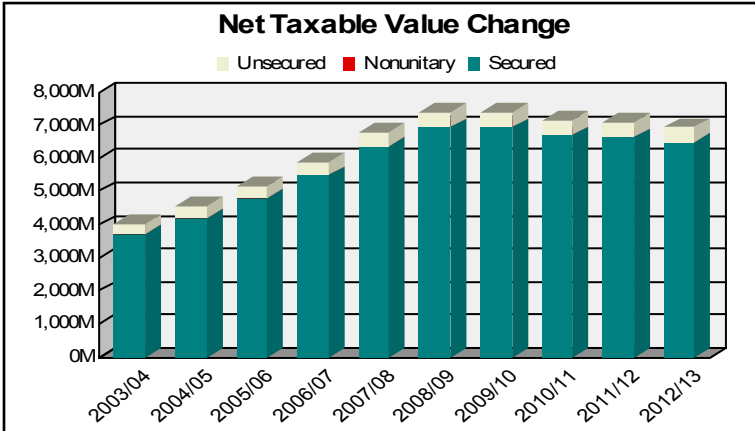
<u>Year to Year Value Change by Use Category</u>		
<u>Category</u>	<u>\$ Change</u>	<u>% Change</u>
Residential	-\$98,896,091	-2.07%
Commercial	\$42,132,286	3.35%
Industrial	-\$3,533,809	-1.68%
Institutional	\$1,760,732	3.25%
Irrigated	\$46,907	1.99%
Miscellaneous	-\$9,848,595	-15.86%
Recreational	-\$1,849,297	-10.44%
Vacant	-\$68,566,032	-29.89%
Outer Parcels	-\$4,766,830	-1.37%
SBE Nonunitary	\$0	0.00%
Cross Reference	-\$1,125,707	-14.91%
Unsecured	-\$12,068,508	-2.64%

<u>Change by Component</u>	<u>Total</u>	<u>Personal Property</u>
Entire City	-2.14%	-1.68%
Chico General Fund	-2.36%	8.29%
Successor Agency	-1.98%	-11.92%
Countywide	-1.16%	0.44%

Percentage of Assessed Value



Chico General Fund (38000)	43.2%
Greater Chico Urban RDA (17900)	33.8%
Southeast Chico RDA (18000)	17.3%
Central Chico RDA (18300)	3.9%
Others	1.8%
Total:	100.0%



Notes:

- The multi-family residential site owned by DHI Trans Pacific Gardens Associates (Trans Pacific Gardens II) at 729 Nord Avenue reflects an ownership change and a failure to process an exemption prior to the release of the roll. The tax bill was also issued without an exemption applied. The year to year increase for taxation was \$6.2 million
- Chico Lodging LLC at 2481 Carmichael Drive (Courtyard by Marriott) was purchased in 2010 and the value includes the price paid in the sale for an increase of \$4.7 million.
- Chico Parkside Terrace LP at 2161 Hartford Drive was granted a full welfare exemption after an increase in improvement values in the current tax year removing \$9.3 million from the taxable rolls.
- 3 commercial parcels owned by Chico Mall Investors LLC at 1950 and 1962 E. 20th Street reflect a change of ownership and a reduction of values totaling \$11.6 million.
- The CCPI adjustment for 2013-14 is tracking at 2%.

<u>Top 10 Taxpayers Based on City Revenue 2012/13</u>	<u>Rank</u>	<u>Top 10 Taxpayers Based on City Revenue 2011/12</u>
SIERRA NEVADA BREWING COMPANY	1	SIERRA NEVADA BREWING COMPANY
CHICO MALL INVESTORS LLC	2	CHICO MALL LP
CHICO CROSSROADS LP	3	CHICO CROSSROADS LP
CALIFORNIA WATER SERVICE COMPANY	4	CARWOOD SKYPARK LLC
CARWOOD SKYPARK LLC ETAL	5	CALIFORNIA WATER SERVICE COMPANY
COSTCO WHOLESALE CORPORATION	6	AERO UNION CORPORATION
CHICO LODGING LLC	7	COSTCO WHOLESALE CORPORATION
WALMART REAL ESTATE BUSINESS TRUST	8	EVERGREEN ORCHARD LLC
BANK OF THE WEST	9	WALMART REAL ESTATE BUSINESS TRUST
LOWES HIW INC	10	SMUCKER QUALITY BEVERAGES INC