



CHICO

2014/15 PROPERTY TAX SUMMARY



The City of Chico experienced a net taxable value increase of 4.4% for the 2014/15 tax roll, which was slightly more than the increase experienced countywide at 3.4%. The assessed value increase between 2013/14 and 2014/15 was \$311 million. The change attributed to the 0.454% Proposition 13 inflation adjustment was \$17.9 million, which accounted for 5.7% of all growth experienced in the city.

The largest assessed value increase was report on a formerly vacant property owned by Chico Harvest Park LP at 75 Harvest Park Court that reported the addition of \$10.9 million after new improvement values were added at this location. This is an affordable community Harvest Park that opened in March 2014. This is a progress appraisal and additional values will be seen in 2015-16. Commercial property owned by Amber Grove Place LLC at 3049 Esplanade reported an increase of \$7.2 million reflecting the addition of improvement values for this retirement and assisted living and memory support facility. This property opened in November 2012. Industrial property owned by Tri Counties Bank at 890 Fortress Street reported an increase of \$6.6 million. This is now the corporate headquarters for Sungard Financial Systems, a software and technology company. The largest decrease was posted on two miscellaneous properties owned by the California Water Service Company that received large increases in 2013-14 that have been reversed and dramatically lowered or the current tax year. The lower values have been taxed for 2014-15. The combined reduction of these two parcels is \$37 million.

The housing market has continued to improve in 2014 although the pace of the improvement has slowed due to increase of interest rates and tight inventories. In most areas, foreclosure levels are back at historical norms as seen in 2006, before the real estate recession. Median sale prices for real estate have continued to increase steadily, but at a slower pace than seen in 2013. The numbers of sale transactions have declined relative to 2013 statewide. The median sale price of a single family home in Chico from January through September 2014 was \$260,000. This represents a \$15,000 (6.1%) increase in median sale price from 2013.

Year	SFR Sales	Median Price	% Change
2008	793	\$269,000	
2009	768	\$241,000	-10.41%
2010	712	\$230,000	-4.56%
2011	780	\$210,000	-8.70%
2012	933	\$219,000	4.29%
2013	996	\$245,000	11.87%
2014	755	\$260,000	6.12%

2014/15 Tax Shift Summary

ERAF I & II	\$-1,609,928
VLFAA (est.)	\$6,624,103
Triple Flip	\$4,692,321
Triple Flip True up	\$166,289

Top 10 Property Owners

Owner	Net Taxable Value	% of Total	Use Type
1. SIERRA NEVADA BREWING COMPANY	\$142,371,231	1.83%	Unsecured
2. MERLE A WEBB AND SONS	\$61,683,461	0.79%	Residential
3. CHICO MALL INVESTORS LLC	\$50,946,525	0.66%	Commercial
4. COMCAST	\$36,030,935	0.46%	Unsecured
5. CHICO CROSSROADS LP	\$33,235,000	0.43%	Commercial
6. SMUCKER QUALITY BEVERAGES INC	\$30,567,706	0.39%	Industrial
7. NORTH VALLEY MALL LLC	\$25,731,950	0.33%	Commercial
8. CARWOOD SKYPARK LLC ETAL	\$24,108,080	0.31%	Commercial
9. SAFEWAY INC	\$21,990,573	0.28%	Commercial
10. STERLING OAKS DEVELOPMENT PARTNERSHIP	\$19,185,000	0.25%	Residential
Top Ten Total	\$445,850,461	5.74%	

Real Estate Trends

Home Sales

Home sales continue to rebound in many parts of the State but at a slower pace than the prior year due to inventory, interest rate and affordability constraints. The reported median price of an existing, single family detached home in California during July 2014 was \$393,000. This was a 11.6 percent increase from \$352,000 in June 2013.

All Homes	Units Sold June-2013	Units Sold June-2014	% Change	Median Price June-2013	Median Price June-2014	% Change
Butte County	256	254	-0.78%	\$221,000	\$230,000	4.07%
Nevada County	207	180	-13.04%	\$290,000	\$335,000	15.52%
Placer County	816	714	-12.50%	\$363,750	\$385,000	5.84%
Shasta County	199	204	2.51%	\$190,000	\$202,500	6.58%
Sutter County	105	106	0.95%	\$181,000	\$199,750	10.36%
Tehama County	54	41	-24.07%	\$116,000	\$176,000	51.72%
Yolo County	247	203	-17.81%	\$300,000	\$373,000	24.33%

Recapturing SFR Proposition 8 Reductions

In 1978 California voters approved Proposition 8 that (among other things) allows county assessors to reduce the value of properties below their Proposition 13 taxable values when the real estate market declines. Such reductions are to be recaptured as the real estate market improves. Now, after five years of declining real estate values, county assessors are beginning to restore values. The graph below reflects the percentage of assessed value restored in 2013-14 for residential properties that have not changed ownership. Assessors will not restore values to their trended Proposition 13 values until the strength of the market recovery is proven. We are anticipating continued recovery of Proposition 8 reductions for 2014-15. In Chico 573 out of 6,221 properties awaiting recapturing in 2013-14 have been fully reinstated.

Estimated SFR Prop 8 Recaptures between 2013-14 and 2014-15

