



# THE CITY OF CHICO



## 2009/10 PROPERTY TAX SUMMARY

The City of Chico experienced a net taxable value increase of 0.04% for the 2009/10 tax roll, which mirrored the change experienced countywide at -0.01%. The assessed value increase between 2008/09 and 2009/10 was \$3.0 million. The growth attributed to the Assessor granted 2% CPI adjustment was \$137 million, which was significantly offset by reductions caused by properties with declining values.

The largest assessed value increase was reported on an industrial parcel owned by Stephen Mooney. The property value grew by \$3.1 million due to the addition of improvements and business fixtures. The sale and subsequent reappraisal of an institutional property at 1200 Springfield Drive (California Aviv LLC), triggered a reassessment that added \$2.1 million in value. New development of a commercial building by Northstate Land Development LLC (2477 Forest Avenue) caused an increase in value of over \$1.9 million.

Parcel subdivision and new construction activity contributed to growth in assessed values this year. 308 parcels were dropped from the roll and 574 were added, resulting in a net assessed value gain of over \$6.1 million.

California home sales have increased year-over-year for 13 consecutive months; driven by increased affordability, low interest rates and strong investor demand. Foreclosure auctions and entry level homes continue to account for a significant portion of real estate transactions, however, recent market data shows that "jumbo" financing is on the rise in selected markets. The median sale price of a single family home in Chico from January through August 2009 was \$248,500. This represents a \$21,500 (-8.0%) decrease in median sale price from 2008.

Year	SFR Sales	Median Price	% Change
2003	803	\$219,000	
2004	1,034	\$269,750	23.17%
2005	1,130	\$316,250	17.24%
2006	963	\$311,500	-1.50%
2007	880	\$305,000	-2.09%
2008	802	\$270,000	-11.48%
2009	532	\$248,500	-7.96%

### 2009/10 Tax Shift Summary

ERAF I & II	\$-1,594,854
RDA SERAF	\$-9,239,231
VLFAA (est.)	\$6,635,382
Prop 1A Borrowing	\$-1,214,363
Triple Flip	\$3,757,485
Triple Flip True up	\$-339,725

### Top 10 Property Taxpayers

Owner	Revenue	% of Total	Use Type
1. SIERRA NEVADA BREWING COMPANY	\$1,001,838.46	2.71%	Unsecured
2. CHICO MALL LP	\$604,463.81	1.63%	Commercial
3. CHICO CROSSROADS LP	\$297,628.80	0.80%	Commercial
4. CARWOOD SKYPARK LLC	\$283,522.84	0.77%	Commercial
5. COSTCO WHOLESALE CORPORATION	\$217,184.05	0.59%	Commercial
6. MERLE A. WEBB AND SONS	\$200,311.70	0.54%	Residential
7. EVERGREEN ORCHARD LLC	\$192,711.75	0.52%	Commercial
8. CALIFORNIA WATER SERVICE COMPANY	\$185,642.04	0.50%	Miscellaneous
9. LOWES HIW INC	\$180,557.82	0.49%	Commercial
10. CHICO LODGING	\$161,285.03	0.44%	Commercial
<b>Top Ten Total</b>	<b>\$3,325,146.29</b>	<b>8.99%</b>	

# Real Estate Trends

## Home Sales

California housing inventories have declined significantly over the past 12 months, with sales activity driven higher by increased affordability, lower mortgage rates and the increased availability of financing. Median home prices have begun to stabilize in many parts of the state and have increased slightly in counties with large urban centers. However, the impact of commercial reassessments, Prop 8 adjustments and foreclosures will continue to have a negative impact on municipal property tax revenues for years to come.

All Homes	Units Sold July-08	Units Sold July-09	% Change	Median Price July-08	Median Price July-09	% Change
Butte County	200	227	13.50%	\$248,500	\$200,000	-19.52%
Nevada County	125	151	20.80%	\$372,500	\$320,000	-14.09%
Placer County	656	621	-5.34%	\$348,750	\$296,000	-15.13%
Sutter County	112	110	-1.79%	\$203,000	\$160,000	-21.18%
Tehama County	35	31	-11.43%	\$183,000	\$160,000	-12.57%
Yolo County	230	240	4.35%	\$293,000	\$281,500	-3.92%

## Prop 8 Reduction Estimates

We are through the majority of the residential Prop 8 reductions and it appears that housing prices have begun to stabilize in many parts of the state. However, we anticipate that county assessors' will be granting additional Prop 8 reductions for the 2010-11 fiscal year. The table below provides a summary for selected counties of the Prop 8 reductions that were granted for the 2009-10 roll. Its estimated that state-wide, more than \$250 billion in assessed value was removed tax rolls due to Prop 8 reductions.

County	Reduced	2008/09 Secured Value	Value Reduction	% Decline
Butte County	10,017	\$17,826,947,773	\$640,485,887	3.59%
Nevada County	3,168	\$16,177,782,664	\$296,057,815	1.83%
Placer County	62,000	\$57,051,244,889	\$3,497,464,282	6.13%
Sutter County	6,365	\$7,831,163,497	\$286,819,890	3.66%
Tehama County	8,095	\$4,843,426,428	\$373,247,947	7.71%
Yolo County	13,000	\$19,439,126,540	\$900,000,000	4.63%

## Foreclosure Update

The number of California foreclosures fell by 1% in the second quarter (April through June) to 138,469, compared to the 1st quarter of 2009. The average loan balance on these homes was \$425,134, while the market value was \$236,739.

According to San Diego-based MDA DataQuick, the state's most affordable sub-markets, which represent 25 percent of the state's housing stock, accounted for more than 52.0 percent of all default activity in 2008. In first quarter 2009 it fell to 47.5 percent, and last quarter it dipped to 45.0 percent.

The Bay Area counties of Santa Cruz, San Francisco, Marin and San Mateo were among the least underwater. Inland Counties including Merced, San Joaquin, Stanislaus, Solano, Sacramento, San Bernardino and Riverside were among the most underwater.

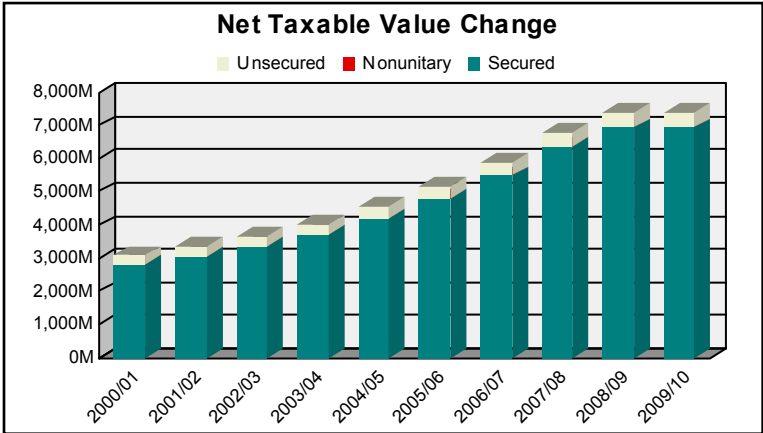
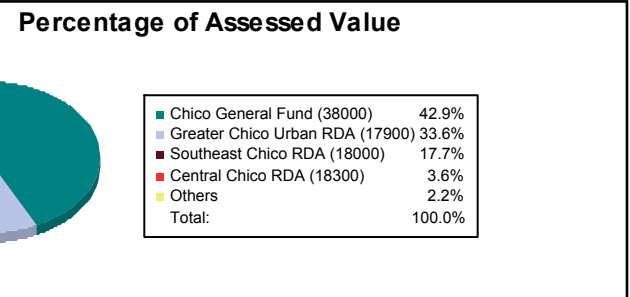
# THE CITY OF CHICO

## 2009/10 PROPERTY TAX REVIEW

<u>Tax Year</u>	<u>Total Taxable Value</u>	
2009/10	7,390,941,271	
2008/09	7,387,893,430	
<b>3,047,841 Total Value Change</b>		
<u>Percentage Change</u>	<u>Dollar Change</u>	<u>Change Event</u>
4,505.01%	137,305,544	Net Value Change of CPI Growth (2.0%)
-8,722.61%	<b>-265,851,146</b>	Net Change of Parcels with Negative Growth
381.66%	11,632,340	Unsecured Roll Change
1,721.45%	52,467,045	Transfer of Ownership Change
1,728.16%	52,671,459	Non Residential New Construction
486.33%	14,822,599	Other Net AV Change
<b>3,047,841</b>		

<u>Year to Year Value Change by Use Category</u>		
<u>Category</u>	<u>\$ Change</u>	<u>% Change</u>
Residential	<b>-\$59,031,525</b>	<b>-1.18%</b>
Commercial	\$46,303,087	3.58%
Industrial	\$12,798,452	5.86%
Institutional	\$3,281,289	5.81%
Irrigated Farm	\$45,654	1.99%
Miscellaneous	<b>-\$1,553,901</b>	<b>-3.23%</b>
Recreational	\$1,834,226	10.10%
Vacant Land	<b>-\$12,914,981</b>	<b>-4.13%</b>
Outer Parcels	\$3,896,443	1.11%
SBE Nonunitary	\$0	0.00%
Cross Reference	<b>-\$466,800</b>	<b>-5.02%</b>
Unsecured	\$11,632,340	2.62%

<u>Change by Component</u>	<u>Total</u>	<u>Personal Property</u>
Entire City	0.09%	3.62%
Chico General Fund	<b>-0.66%</b>	11.16%
Southeast RDA & 1983 Amendn	1.00%	2.67%
Chico Municipal Airport RDA	8.99%	15.65%
Central Chico RDA	2.13%	<b>-0.47%</b>
Greater Chico Urban RDA	<b>-0.23%</b>	<b>-8.05%</b>
Merged Project Area	0.57%	0.30%
<b>Countywide</b>	<b>-0.01%</b>	12.94%



**Notes:**

- Chico Lodging became #10 taxpayer - was #12 taxpayer in fiscal year 2008-09.
- 60 residential parcels were bank owned as of 6/30/2009
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<u>Top 10 Taxpayers 2009/10</u>	<u>Rank</u>	<u>Top 10 Taxpayers 2008/09</u>
SIERRA NEVADA BREWING COMPANY	1	SIERRA NEVADA BREWING/GROSSMAN FAMILY
CHICO MALL LP	2	CHICO CROSSROADS LP
CHICO CROSSROADS LP	3	CARWOOD SKYPARK LLC
CARWOOD SKYPARK LLC	4	CHICO MALL LP
COSTCO WHOLESALE CORPORATION	5	COSTCO WHOLESALE CORPORATION
MERLE A. WEBB AND SONS	6	MERLE A. WEBB AND SONS
EVERGREEN ORCHARD LLC	7	EVERGREEN ORCHARD LLC
CALIFORNIA WATER SERVICE COMPANY	8	CALIFORNIA WATER SERVICE COMPANY
LOWES HIW INC	9	LOWES HIW INC
CHICO LODGING	10	CHICO SENIOR LIVING DELAWARE