



THE CITY OF CHICO



2011/12 PROPERTY TAX SUMMARY

The City of Chico experienced a net taxable value decrease of -1.1% for the 2011/12 tax roll, which mirrored the decrease experienced countywide at -1.2%. The assessed value decrease between 2010/11 and 2011/12 was \$-75.3 million. The change attributed to the 0.753% Proposition 13 inflation adjustment was \$49.4 million, which was more than offset by reductions caused by properties with declining values.

The largest assessed value increase was reported on two vacant sites owned by Drake Trust east of Bruce Road on both sides of Stilson Canyon were revalued for a collective increase of \$5.5 million. Property at 870 East Avenue purchased by University Foundation Cal State Chico has been revalued after the sale for an increase of \$3.5 million. No exemption has been applied to date. Winco Foods LLC at 2030 Forest Avenue added improvement values between tax years posting an increase of \$2.3 million. Long Drug Stores at 2780 Esplanade also added \$2 million in additional new improvement values.

The largest assessed value decline was reported on a commercial parcel owned by Jerry Leen EtAl. This property is now used as a public school and has been granted a full exemption removing \$3.6 million from the taxable rolls. Chico Mall LP at 1950 E 20th Street and Lowes HIW at 2350 Forest Avenue were both granted a Proposition 8 reduction reflecting the current market value of their properties for reductions of \$3.4 million and \$2.5 million respectively. Sterling Oaks Apartments at 100 Sterling Oaks Drive was also granted a Prop 8 reduction of \$2 million to reflect market conditions.

The housing market remained weak during the first half of 2011, as home buying decreased due to skittish buyers and uncertainty in the economy. New home construction is at its lowest level in a decade and sales of homes more than \$500,000 remain slow due to restrictions on jumbo loans. With economic uncertainty likely to keep prices low, buyers don't see urgency to rush into the market. The median sale price of a single family home in Chico from January through September 2011 was \$215,000. This represents a \$15,000 (-6.5%) decrease in median sale price from 2010.

Year	SFR Sales	Median Price	% Change
2005	1,067	\$312,500	
2006	946	\$309,000	-1.12%
2007	896	\$305,000	-1.29%
2008	797	\$269,000	-11.80%
2009	757	\$242,000	-10.04%
2010	702	\$230,000	-4.96%
2011	562	\$215,000	-6.52%

2011/12 Tax Shift Summary

ERAF I & II	\$-1,509,487
AB27 Payment	\$10,097,213
VLFAA (est.)	\$6,538,424
Triple Flip	\$3,927,827
Triple Flip True up	\$-41,672

Top 10 Property Taxpayers

Owner	Revenue	% of Total	Use Type
1. SIERRA NEVADA BREWING COMPANY	\$1,220,392.23	3.51%	Unsecured
2. CHICO MALL LP	\$555,827.68	1.60%	Commercial
3. CHICO CROSSROADS LP	\$289,141.80	0.83%	Commercial
4. CARWOOD SKYPARK LLC	\$245,345.15	0.71%	Commercial
5. CALIFORNIA WATER SERVICE COMPANY	\$231,813.38	0.67%	Miscellaneous
6. AERO UNION CORPORATION	\$230,261.03	0.66%	Unsecured
7. COSTCO WHOLESALE CORPORATION	\$196,076.19	0.56%	Commercial
8. EVERGREEN ORCHARD LLC	\$185,405.22	0.53%	Commercial
9. WALMART REAL ESTATE BUSINESS TRUST	\$166,965.83	0.48%	Commercial
10. SMUCKER QUALITY BEVERAGES INC	\$151,721.51	0.44%	Industrial
Top Ten Total	\$3,472,950.03	9.99%	

Real Estate Trends

Home Sales

Home sales continued to dip in many parts of the State, in part because sales of lower cost distressed home sales have risen and sales of both newly constructed and high priced properties over \$500,000 have dipped. Despite stable down payment amounts, there is still much hesitation in the market because of less than positive economic reports and uncertainty regarding the Country's debt crisis. The median price of an existing, single family detached home in California during July 2011 was \$252,000, a 6 percent decrease from \$268,000 in July 2010. Of the existing homes sold in July 2011 more than half were either short sales or foreclosures.

All Homes	Units Sold July-2010	Units Sold July-2011	% Change	Median Price July-2010	Median Price July-2011	% Change
Butte County	165	186	12.73%	\$187,000	\$160,000	-14.44%
Nevada County	120	155	29.17%	\$295,000	\$261,000	-11.53%
Placer County	572	616	7.69%	\$285,500	\$255,000	-10.68%
Shasta County	152	166	9.21%	\$171,550	\$145,000	-15.48%
Sutter County	87	95	9.20%	\$170,000	\$140,000	-17.65%
Tehama County	29	44	51.72%	\$65,250	\$114,000	74.71%
Yolo County	189	199	5.29%	\$247,100	\$225,000	-8.94%

Commercial & Industrial Appeals

Commercial and Industrial appeals have been filed in huge numbers equal to or exceeding the numbers experienced during the last real estate downturn in the mid-1990s. The filings which ramped up in 2008 have increased in number over the past 3 years and more appeals have entered the hearing process because owners and assessor staff are unable to reach a stipulated reduced value. Appeals, which often take several years to resolve, result in a multi-year revenue reduction in the year they are resolved. The taxpayer refunds from successful appeals within the general fund portion of cities are all pooled and the reductions are apportioned based on each taxing entities share of revenue generated countywide. This means that appeals granted mid-year outside your jurisdiction will result in a pro-rata reduction to your jurisdiction's general fund revenue. The overall appeal success rate in counties where the data is available for purchase is in excess of 60% and when successful, values on average are reduced 20%.

