



The City of Pleasanton experienced a net taxable value increase of **5.1%** for the 2008-09 tax roll, slightly higher than the growth experienced countywide at 4.7%. The assessed value growth between 2007-08 and 2008-09 was \$853.2 million. The increase attributed to the Assessor granted 2% CPI adjustment was \$317.6 million and accounted for 37% of all growth experienced in the city. The CPI adjustment now accounts for 25% or more of all growth reported in most of California's cities.

The largest assessed value increase was reported on an commercial parcel owned by **Kaiser Permanente Health Plan Inc.** at Owens and Hacienda Drives. The parcel posted an increase net increase of \$49.9 million. This owner purchased this site from Peoplesoft in 2007 and has an appeal pending. Industrial property at 4300 Hacienda Drive owned by **Boehringer Mannheim Corporation** added fixture and improvement values for an increase of \$30 million and **Legacy Hacienda Terrace LLC's** purchase of a commercial office building in 2007 at 4309 Hacienda Drive reflects the sale price paid in the transaction for an increase of \$22 million.

The largest decline was the result of the removal improvement and fixture values by **CM Winprop Inc.** at 5758 W. Las Positas Boulevard for a reduction of \$11.6 million. Proactive Prop 8 reductions by the assessor for 2008-09 temporarily removed in excess of \$140 million.

The median sale price of a single family home in Pleasanton hit its peak in 2007 at \$769,000. Sales activity, however, in the first 8½ months of 2008 reflects a decline of **5%** off that peak to \$732,500. The number of SFR sales transactions continues to decline and will impact transfer tax and supplemental revenue streams. There were 663 single family residential sales transactions in 2007 and there have been 344 SFR sales reported in the first 10½ months of 2008.

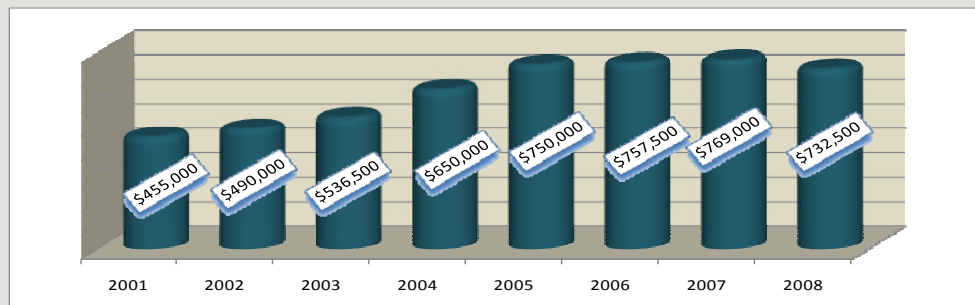
### Triple Flip/VLF Payment Dates

- Triple Flip Payments (sales tax in-lieu payments) are due to City from County ERAF account on or before January 31st and May 1st annually during the life of the State issued revenue recovery bonds. A true-up payment is to be made on or before the January 31, 2008 for the 2006-07 FY.
- VLF in lieu payments to City from the County ERAF account will be paid on or before January 31st and May 31st. This revenue source grows by gross assessed property values between tax years.
- Supplemental property tax VLF in lieu payments from the County ERAF account have been significantly higher than projected in many cities. We expect these revenues to flatten out considerably as the real estate market weakens.

### 2008-09 Tax Shift Summary

ERAF I & II	<b>\$9,141,598</b>
Est. RDA ERAF	<b>0</b>
Triple Flip True-up	<b>348,864</b>
Triple Flip	<b>5,460,200</b>
VLFAA (est.)	<b>5,000,022</b>
To County ERAF	
From County ERAF	

### HISTORICAL MEDIAN SFR SALES PRICE



### Top 10 Property Taxpayers

Owner	Revenue	% of City	Use Type
1. Kaiser Permanente Health Plan Inc.	\$583,403	1.31	Commercial
2. Stoneridge Properties	547,911	1.23	Commercial
3. Pleasant Property LLC	506,762	1.14	Commercial
4. 6200 Stoneridge Mall Road Investors	463,138	1.04	Commercial
5. CT Stoneridge LLC	386,411	0.87	Commercial
6. Applera Corporation	362,210	0.81	Commercial
7. Safeway	342,644	0.77	Commercial
8. Stoneridge Residential LLC	341,121	0.76	Residential
9. Tishman Speyer Archstone Smith Hacienda LLC	283,783	0.64	Residential
10. NNN Britannia Business Center	<u>267,104</u>	<u>0.60</u>	Commercial
Total	\$2,036,344	9.15%	

# Real Estate Data



## Summary of Bay Area Counties

All Homes	Units Sold July-07	Units Sold July-08	Percentage Change	Median Price July-07	Median Price July-08	Percentage Change 2008	Percentage Change 2007
Alameda	1,577	1,428	-9.45%	\$ 605,000	\$ 440,000	-27.27%	5.85%
Contra Costa	1,328	1,730	30.27%	\$ 599,000	\$ 350,000	-41.57%	1.55%
Marin	306	277	-9.48%	\$ 887,500	\$ 770,000	-13.24%	12.33%
Napa	85	125	47.06%	\$ 614,500	\$ 440,000	-28.40%	2.16%
San Francisco	564	609	7.98%	\$ 799,000	\$ 749,000	-6.26%	3.63%
San Mateo	728	648	-10.99%	\$ 800,000	\$ 670,000	-16.25%	7.16%
Santa Clara	1,910	1,660	-13.09%	\$ 700,000	\$ 585,500	-16.36%	6.26%
Solano	408	592	45.10%	\$ 415,000	\$ 275,000	-33.73%	-10.56%
Sonoma	517	517	0.00%	\$ 520,000	\$ 362,500	-30.29%	-6.31%

Source: Dataquick Information Systems

### Proposition 8 and Declining Real Estate Values

In the circumstance of a downturn in the real estate market such as California is currently experiencing, many property owners seek to reduce their tax bill in accordance with Proposition 8. Often county assessors will administratively reduce values on large blocks of property without even requiring property owners to appeal. This has already occurred in a number of California counties.

*Example:* A property previously assessed at \$500,000 received a Proposition 8 reduction in value to \$450,000 as of the lien date. By the next lien date, the property's market value had increased five percent, or \$22,500, and, thus, the assessor enrolled a value of \$472,500 for that year. Because the current market value is less than its current factored base year value of \$510,000 (\$500,000 + 2% annual increase), increasing the assessed value by five percent is legal since the two percent limitation of Proposition 13 applies only to increases in the base year value. Here, since the current market value continues to be less than the factored base year value, an increase beyond the two percent limitation is appropriate. As the year progresses, property values rebound dramatically and the market value of the property is now \$525,000. Because the current factored base year value for this year is \$520,200 (\$510,000 + 2%), which is lower than the current market value, the adjusted factored base year value would be reinstated and enrolled, and the annual increase will again be limited to two percent.

The table below provides a summary of the Prop-8 value reductions that have been reported by county assessors to date for the 2008-09 roll.

County	Reduced	2007-08 Secured Value	Value Reduction	% Decline
Alameda	50,000	\$180,216,062,598	\$3,074,186,102	1.71%
Contra Costa	56,815	\$151,103,094,839	\$8,404,271,200	5.56%
Marin	2,957	\$51,190,203,723	Data Not Available	
San Mateo	-	\$122,505,611,655	Data Not Available	
Santa Clara	43,231	\$258,620,824,768	\$3,000,000,000	1.16%
Solano	29,892	\$42,762,995,747	\$3,000,000,000	7.02%
Sonoma	2,500	\$64,348,235,595	\$175,000,000	0.27%