MARTINEZ

2018/19 PROPERTY TAX SUMMARY

The City of Martinez experienced a net taxable value increase of 6.3% for the 2018/19 tax roll, which mirrored the increase experienced countywide at 6.2%. The assessed value increase between 2017/18 and 2018/19 was $360 million. The change attributed to the 2% Proposition 13 inflation adjustment was $86.7 million, which accounted for 24% of all growth experienced in the city.

The major assessed value increases in the City this year were related to oil and gas properties. The single largest was reported on an industrial parcel owned by Pacific Atlantic Terminals LLC. New improvement value totaling $30.4 million was added between tax years. A Tesoro parcel on Marina Vista Avenue saw an increase of $6.9 million in new improvement value. Similarly, Shell Chemical LP, also on Marina Vista Avenue, increased by $6.3 million.

The largest assessed value decline was reported on an apartment building owned by Rutherford Valley Ridge LLC (900 Roanoke Drive). The parcel was reassessed in error for the 2017/18 year. The current year value enrolled represents the value enrolled two years ago with CPI applied. The resulting decline in value is $5.1 million.

The housing market has fully recovered from the recent recession in many urban and coastal areas of the State while housing recovery has tended to lag in more rural and inland areas. Current median home prices, in many regions are at or above the pre-recession peak values. Affordability and inventory constraints are the main contributor to increases in home prices over the last year. The numbers of sales year over year have declined and the lack of significant new home construction in California is one of the main factors affecting supply. The median sale price of a detached single family residential home in Martinez from January through August 2018 was $670,000. This represents a $75,000 (12.6%) increase in median sale price from 2017.

Year	D-SFR Sales	Median Price	% Change
2012	406	$340,000	
2013	424	$427,500	25.74%
2014	486	$460,000	7.60%
2015	532	$503,500	9.46%
2016	546	$535,000	6.26%
2017	553	$595,000	11.21%
2018	203	$670,000	12.61%

2018/19 Tax Shift Summary

Educational Revenue Augmentation Fund I & II*	$-3,083,428
Vehicle License Fee Adjustment Amount (est.)	$3,449,775

Top 10 Property Owners

	Owner	Net Taxable Value	% of Total	Use Type
1.	EQUILON ENTERPRISES LLC/SHELL OIL	$234,959,384	3.87%	Industrial
2.	PACIFIC ATLANTIC TERMINALS LLC	$171,902,941	2.83%	Industrial
3.	TESORO	$62,138,930	1.02%	Industrial
4.	ECOSERVICES OPERATIONS	$40,746,387	0.67%	Industrial
5.	FAIRFIELD HIDDEN CREEK LLC	$39,299,698	0.65%	Residential
6.	MUIR STATION CENTER LLC	$21,438,690	0.35%	Commercial
7.	WALMART REAL ESTATE BUSINESS	$21,345,310	0.35%	Commercial
8.	MUIRWOOD SQUARE INVESTORS LP	$20,897,060	0.34%	Residential
9.	COMCAST	$20,340,037	0.33%	Unsecured
10.	RUTHERFORD VALLEY RIDGE LLC	$19,997,228	0.33%	Residential
	Top Ten Total	**$653,065,665**	**10.74%**	

2017/18 Property Tax Revenue Received: $8,643,004.

* The Educational Revenue Augmentation Fund (ERAF) shifts began in 1992-93 (I) and 1993/94 (II) and shifted revenue away from local governments to schools to reduce State funds required to fund education. The original shift was to resolve severe budget deficits in those years but the shift continues to happen annually.

Real Estate Trends

Home Sales

According to industry experts, price growth isn't the only problem that current home shoppers are facing. The median price increases coupled with the principal and rising interest payments have resulted in double digit percentage increases in the cost of a median-priced home over last year. The reported median price of an existing, single-family detached homes in California during June 2018 was $602,760. This was a 8.5 percent increase from $555,420 in June 2017.

All Homes	Units Sold June-2017	Units Sold June-2018	% Change	Median Price June-2017	Median Price June-2018	% Change
Alameda County	1,844	1,665	-9.71%	$765,000	$850,000	11.11%
Contra Costa County	1,926	1,515	-21.34%	$580,000	$630,000	8.62%
Marin County	388	359	-7.47%	$1,124,000	$1,115,000	-0.80%
Napa County	160	131	-18.13%	$591,000	$665,000	12.52%
San Francisco County	572	530	-7.34%	$1,250,000	$1,305,000	4.40%
San Mateo County	773	635	-17.85%	$1,200,000	$1,350,000	12.50%
Santa Clara County	2,101	1,714	-18.42%	$960,000	$1,200,000	25.00%
Solano County	660	584	-11.52%	$395,000	$425,000	7.59%
Sonoma County	591	429	-27.41%	$560,000	$600,000	7.14%

Comparison of Current Median Sale Price to Peak Price Before the Great Recession

In 1978 California voters approved Proposition 8 that requires county assessors to reduce the value of properties below their Proposition 13 taxable values when the real estate market declines. These reductions are to be restored as the real estate market improves. One of the gauges of the values to be restored is the progress each community is seeing in the growth of the median sale prices of single family homes. As we have moved through the Great Recession, we have seen the recovery of the real estate home prices in many regions approach or exceed pre-recession peak prices. The graph below provides a comparison of the detached home (excluding Condos and Townhomes) median peak price experienced at the height of the real estate bubble in Martinez and Contra Costa County well as several other counties in this region. Considering these trends, we expect to see that a majority of the homes under review per Proposition 8 will be completely restored in most of the urban and coastal counties. More counties have neared a 90-100% restoration level after our review of the 2018-19 data in this segment of residential properties. **As we begin the 2018-19 fiscal year 85.0% of properties in Martinez awaiting restoration of value since 2012-13 have been FULLY restored.**