



GARDEN GROVE



2016/17 PROPERTY TAX SUMMARY

The City of Garden Grove experienced a net taxable value increase of 6.4% for the 2016/17 tax roll, which was modestly more than the increase experienced countywide at 5.4%. The assessed value increase between 2015/16 and 2016/17 was \$914 million. The change attributed to the 1.525% Proposition 13 inflation adjustment was \$176 million, which accounted for 19% of all growth experienced in the city.

Assessed value within the City continues to rise at a consistently strong rate. Over the past 5 years, assessed values in the City have grown by \$2.8 billion (22.5%) and values are at an all time high. Growth within the General Fund areas was 5.5% and growth within the former redevelopment project areas was 9.3%. The values in the former project areas were bolstered by the addition of \$101.1 million in secured value on the three parcels occupied by the new Great Wolf Lodge. This new hotel project also added \$27.2 million in unsecured value to the tax rolls for 2016-17.

Assessed values are, however, overstated by \$62.1 million due to the late application of welfare exemptions on two properties purchased in 2015 by BRE Paragon MF Chrystal View LP. These multifamily apartments on Bayport Street were made partially exempt after publication of the 2016-17 tax rolls.

Residential values make up 73% of all value in the City. These values were up by \$569.2 million (5.4%) for 2016-17. Of this growth, \$72.8 million came from recovery of Prop 8 value reductions made in prior years. There is still \$250.6 million on 2,558 homes that may be recovered on Prop 8 value reductions.

The housing market continues to improve with sales of homes increasing year over year in most areas of the State. In some areas, the current median has surpassed the median at the height of the real estate bubble. Sale volume is down slightly throughout the state when compared to 2015. The majority of sales now seem to be primarily non-distressed properties where the buyer plans to live in the home. This is a departure from the large number of short sales and investor buying experienced over the past several years. The median sale price of a single family home in Garden Grove from January through September 2016 was \$505,000. This represents a \$35,000 (7.4%) increase in median sale price from 2015.

| Year | SFR Sales | Median Price | % Change |
|------|-----------|--------------|----------|
| 2010 | 1,299 | \$345,000 | |
| 2011 | 1,253 | \$332,000 | -3.77% |
| 2012 | 1,463 | \$337,000 | 1.51% |
| 2013 | 1,400 | \$385,000 | 14.24% |
| 2014 | 1,185 | \$435,000 | 12.99% |
| 2015 | 1,246 | \$470,000 | 8.05% |
| 2016 | 940 | \$505,000 | 7.45% |

2016/17 Tax Shift Summary

| | |
|--------------|--------------|
| ERAF I & II | \$-5,755,442 |
| VLFAA (est.) | \$15,862,974 |

Top 10 Property Owners

| Owner | Net Taxable Value | % of Total | Use Type |
|--------------------------------------|----------------------|--------------|-------------|
| 1. GWGG LLC | \$135,341,560 | 0.89% | Vacant |
| 2. INVESTEL HARBOR RESORTS LLC | \$131,220,000 | 0.86% | Commercial |
| 3. LANDMARK MARRIOTT SUITES LLC | \$114,573,190 | 0.75% | Commercial |
| 4. BRE PARAGON MF CRYSTAL VIEW CA LP | \$84,007,197 | 0.55% | Residential |
| 5. PARK GROVE FEE OWNER LLC | \$49,223,254 | 0.32% | Residential |
| 6. CHATHAM RIGG LLC | \$47,621,040 | 0.31% | Commercial |
| 7. HGGA PROMENADE L P | \$44,587,163 | 0.29% | Commercial |
| 8. OHI RESORT HOTELS LLC | \$42,980,008 | 0.28% | Commercial |
| 9. SPS TECHNOLOGIES LLC | \$41,497,118 | 0.27% | Unsecured |
| 10. PPF INDUSTRIAL | \$39,841,036 | 0.26% | Industrial |
| Top Ten Total | \$730,891,566 | 4.81% | |



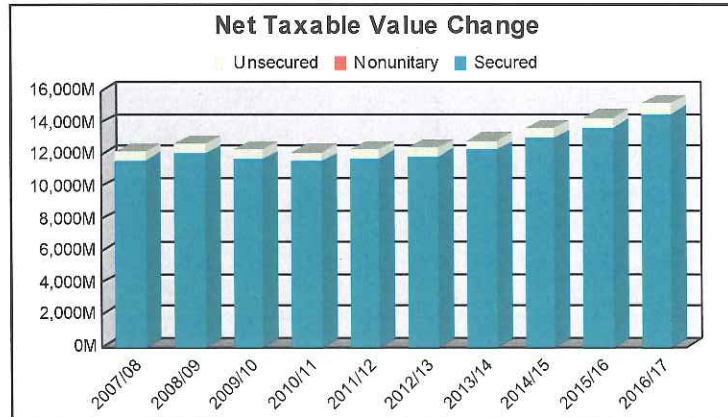
THE CITY OF GARDEN GROVE 2016/17 PROPERTY TAX REVIEW

| | 2015/16 | 2016/17 | Value Change |
|---|-------------------------|-------------------------|----------------------|
| Total | \$14,277,900,547 | \$15,191,566,666 | \$913,666,119 |
| Parcel Adds/Drops Net Change | | 0.12% | 16,881,461 |
| Net Value Change from CPI 1.525% Growth | | 1.23% | 176,015,177 |
| Unsecured Value Change | | 0.65% | 92,427,368 |
| Cross-Reference Value Change | | 0.00% | 513,059 |
| Prior Year Transfer of Ownership | | 1.73% | 246,444,141 |
| Non-Residential New Construction | | 0.13% | 18,794,612 |
| Prop. 8 - Recaptured Value - SFR | | 0.51% | 72,777,154 |
| Prop. 8 - Recaptured Value - Non-SFR | | 0.00% | 483,705 |
| Other Negative Changes* | | -0.37% | -52,493,231 |
| Other Positive Changes* | | 2.39% | 341,822,673 |
| Total | | 6.40% | 913,666,119 |

| Year to Year Value Change by Use Category | | |
|---|---------------|----------|
| Category | \$ Change | % Change |
| Residential | \$569,155,808 | 5.41% |
| Commercial | \$133,485,043 | 6.77% |
| Industrial | \$36,669,731 | 3.24% |
| Miscellaneous | \$656 | 1.52% |
| Vacant | \$81,414,454 | 112.25% |
| SBE Nonunitary | \$0 | 0.00% |
| Cross Reference | \$513,059 | 2.02% |
| Unsecured | \$92,427,368 | 16.75% |

| Change by Component | Total | Personal Property |
|---------------------------|-------|-------------------|
| Entire City | 6.40% | 19.52% |
| Garden Grove General Fund | 5.50% | 13.22% |
| Successor Agency | 9.34% | 24.66% |
| Countywide | 5.37% | 3.76% |

Percentage of Assessed Value



Notes:

- Purchase of the Hyatt Regency Hotel by Investel Harbor Resorts LLC in October 2015 has resulted in an increase in value on 11 parcels for 2016-17. The total increase in value on these parcels above 2015-16 is \$58.5 million.
- The median sales price for single family homes in Garden Grove is \$505,000 based on sales through September 2016. This is still \$70,000 (12.2%) below the peak median sales price of \$575,000 in 2006.
- The median sales price for single family homes in the City has increased by \$173,000 (52.1%) since 2011, the last year that the median sales price declined from the prior year.
- Sales that have occurred in 2016 will add \$232.5 million to the tax rolls for 2017-18. This is based on sales through September.
- The \$27 million in unsecured value added to the tax roll by Great Wolf Lodge has been mistakenly associated with a parcel in the 1998 Lampson-Buaro Project. Analysis must be done to see if this should be corrected. Pass through obligations may be a factor.

| Top 10 Taxpayers Based on Net Values 2016/17 | Rank | Top 10 Taxpayers Based on Net Values 2015/16 |
|--|------|--|
| GWGG LLC | 1 | LANDMARK MARRIOTT SUITES LLC |
| INVESTEL HARBOR RESORTS LLC | 2 | AMERICAN LODGING GARDEN GROVE HARBOR LLC |
| LANDMARK MARRIOTT SUITES LLC | 3 | PARK GROVE FEE OWNER LLC |
| BRE PARAGON MF CRYSTAL VIEW CA LP | 4 | CHATHAM RIGG LLC |
| PARK GROVE FEE OWNER LLC | 5 | NEWAGE GARDEN GROVE LLC |
| CHATHAM RIGG LLC | 6 | HGGA PROMENADE L P |
| HGGA PROMENADE L P | 7 | OHI RESORT HOTELS LLC |
| OHI RESORT HOTELS LLC | 8 | PPF INDUSTRIAL |
| SPS TECHNOLOGIES LLC | 9 | SPS TECHNOLOGIES LLC |
| PPF INDUSTRIAL | 10 | CAR NOA GGN LLC |