

Annual Reassessment Report
Office of the Real Estate Assessor
January 1, 2016





City of Chesapeake

Office of the Real Estate Assessor
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March 1, 2016

The Honorable Alan P. Krasnoff, Mayor
The Honorable John de Triquet, Vice Mayor
Honorable Members of City Council
City of Chesapeake - City Hall
306 Cedar Road, 6th Floor
Chesapeake, VA 23322

RE: January 1, 2016 Revaluation

Dear Mayor Krasnoff and Council Members:

I am pleased to submit for your review the annual report of the Office of the Real Estate Assessor, effective January 1, 2016. This report is very similar in form and content as last year, and is intended to provide you with an executive summary of the real estate analysis process and our conclusions.

As you are aware, the City Assessor's Office in compliance with Virginia Constitution, Article X estimates the fair market value of all real estate. To accomplish this task, we inspect and collect field data on all new construction, including additions and alterations where permits are obtained. Annually, we conduct reassessment of all real property via a computer-assisted mass appraisal system which is comprised of four major subsystems; sales analysis, data management, valuation, and administration. Utilizing current market data and trends, detailed statistical analysis is performed to measure the accuracy, equality and equity of the value estimate. The office also produces the annual Land Book, processes property transfers, maintains a parcel maintenance inventory system and provides assistance to the public by responding to requests for information relative to real estate assessments.

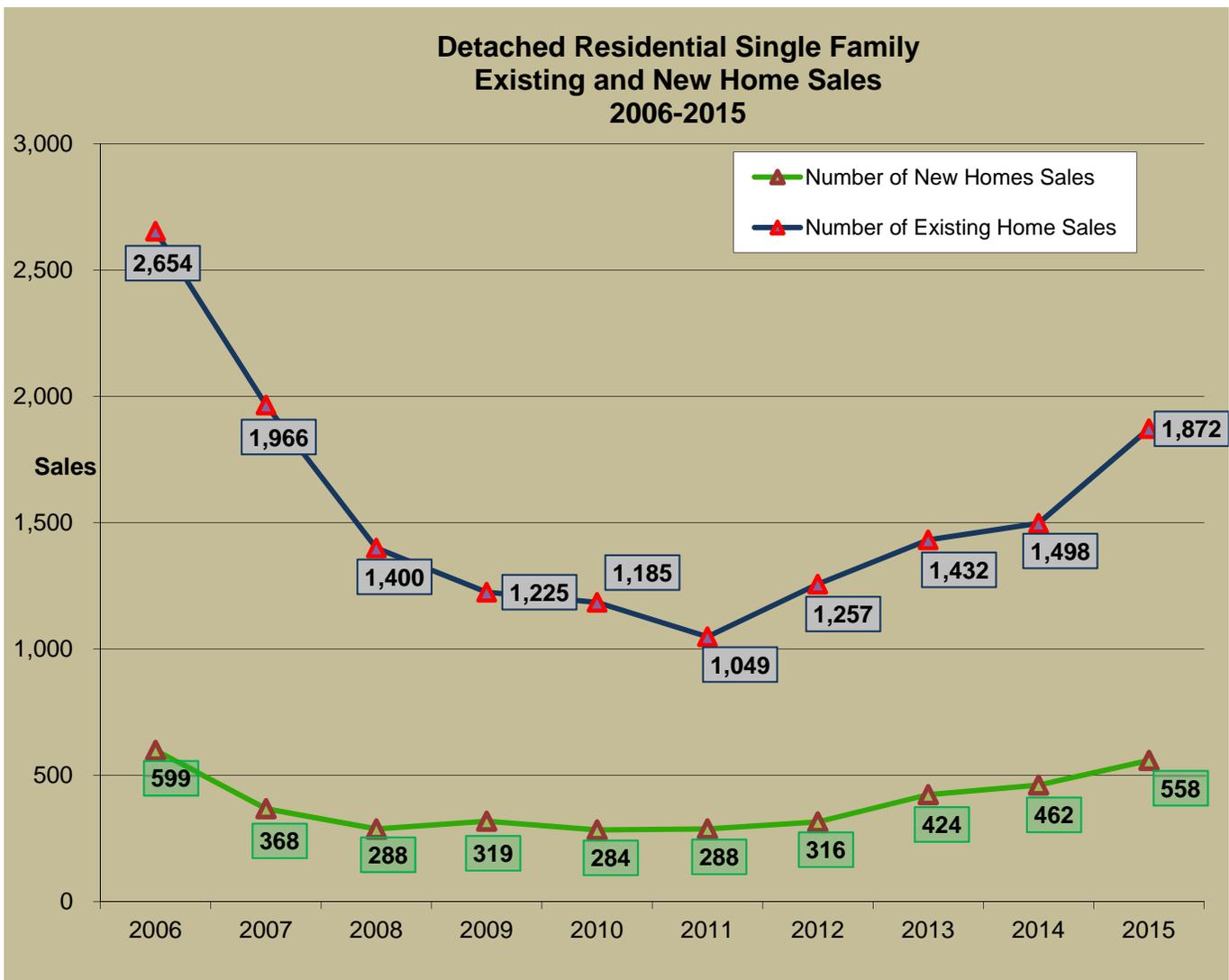
Mission Statement - Real Estate Assessor's Office:

“To provide fair and equitable appraisal of real estate for assessment purposes to the citizens and property owners of Chesapeake through effective professional personnel, innovative technology and application of reliable, consistent procedures.”

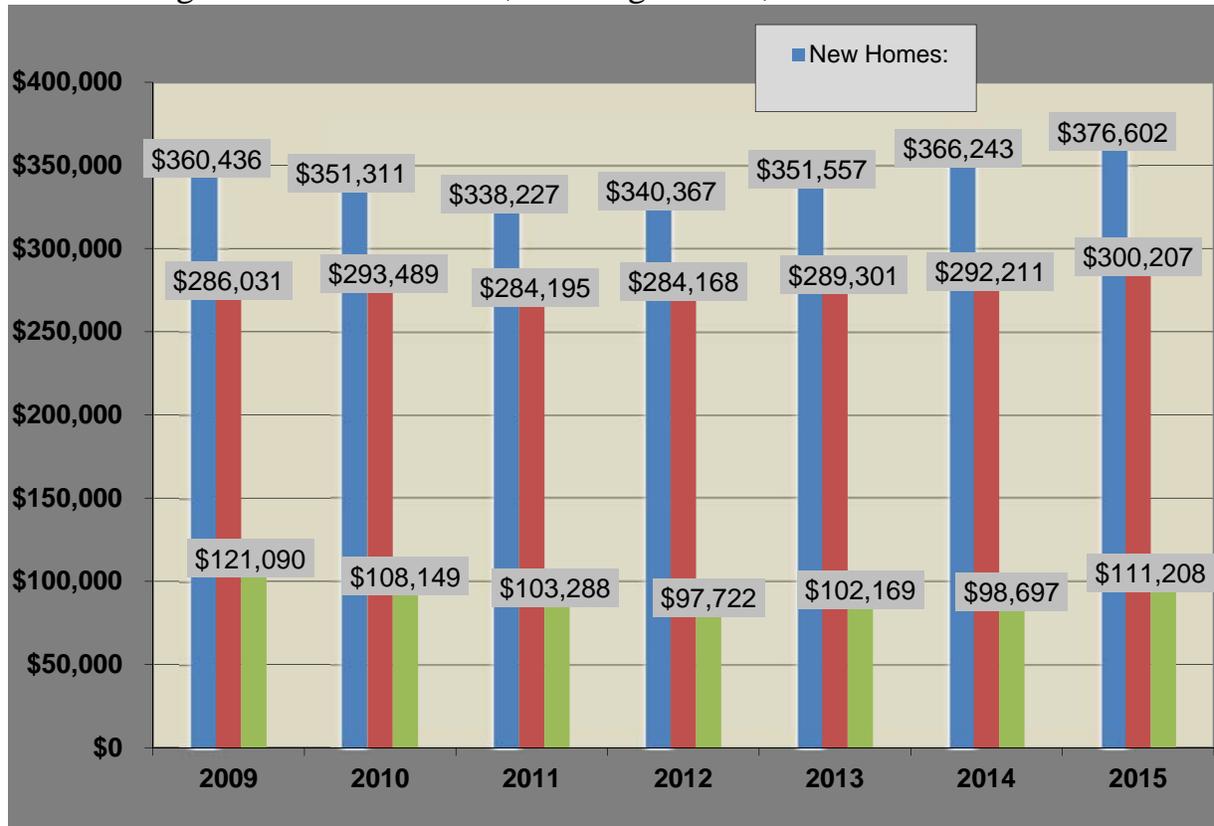
The preceding information is to serve as a brief introduction to the body of this report in which more detailed information is presented.

In order to comply with City Code Chapter 30 Section 119(b) on March 1, 2016, the assessor's office will mail approximately 84,385 assessment notices to the property owners of the City. Total parcel count for the City as of January 1, 2016 is 85,410. These notices are based on information available as of December 31, 2015 and will be applicable July 1, 2016.

Detached Residential Single Family Existing and New Homes Sales 2006-2015



Average Sales Price of New, Existing Homes, and Lots 1 Acre or Less



In 2015 the City of Chesapeake continued to experience a slow rebound in the real estate market. Sales volume picked up slightly while home prices reflected a slight increase over last year. During the past year, the region as a whole saw an increase in prices paid for residential properties. Chesapeake like some other Hampton Roads cities experienced a modest increase in the real estate market, which is reflected in an overall increase in the assessed value. The City once again saw an increase in both the number of sales and in sales price for homes in 2015. The total number of detached single-family home sales utilized for our analysis this year was 2,430. This reflects 470 more sales than last year.

The number of recorded new home sales utilized for statistical analysis increased to 558 in 2015 from 462 for the year 2014. The number of recorded re-sales of homes utilized this year was 1,872. This is 374 more sales than last year. In order for the assessor's office to ensure that we have the best possible sales data available, we continue to use the services of the Real Estate Information Network, Incorporated (REIN). This service allows us to access sales data prior to its recordation in the clerk's office.

While we cannot directly use any sales that were not recorded as of December 31, 2015, it is very helpful to know the particulars of properties currently under contract. This service simply put, provides an additional resource we can utilize to better facilitate our knowledge of market trends.

Based on the 2015 market data, the average sales price for recorded new home sales in 2015 increased from \$366,243 to \$376,602. This reflects an increase of 2.9%, and for the second consecutive year represents a value last achieved prior to 2009. The average selling price of a recorded existing home sale increased from \$292,293 in 2014 to \$300,207 in 2015, an increase of 2.7%. The average recorded lot (one acre or less) sales price was up in 2015 averaging \$111,208. This is a 12% increase from 2014. The current dynamics of the real estate market are reflected in the data presented. Residential single-family sales for 2015 are summarized and compared to previous years (see charts on pages 2 & 3).

Detached Residential Single-Family 2009 – 2015 Comparison

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Number of New Home Sales:	319	284	288	316	424	462	558
Number of Existing Home Sales:	1,225	1,185	1,049	1,257	1,432	1,498	1,872
Average Price New Homes:	\$360,436	\$351,311	\$338,227	\$340,367	\$351,557	\$366,243	\$376,602
Average Price Existing Homes:	\$286,031	\$293,489	\$284,195	\$284,168	\$289,301	\$292,293	\$300,207
Average Lot Price – 1 Acre or Less:	\$121,090	\$108,149	\$103,288	\$97,722	\$102,169	\$98,697	\$111,208

The current revaluation of all classes of taxable real estate totaling 83,059 properties resulted in a 1.50% revaluation increase. This citywide average increase is a result of individual value changes ranging from double digit percentage decreases, to some 39,760 properties experiencing an increase in value. The value changes this year are in keeping with current market trends. Approximately 39,380 properties will have no change in assessment. Some of the 39,380 properties with no change include underdeveloped parcels, new parcels for the upcoming year, wetlands, and Homeowners Association parcels located throughout the City, however, most are areas where the previous valuation was determined to be appropriate based on current market data.

The total residential/agricultural tax base, which represents approximately 76.03% of the total revaluation, increased on average 1.41% as a result of the revaluation. The commercial, industrial and apartment complex properties increased overall on average 2.94%.

Please refer to the chart on page 9 summarizing the overall revaluation percentage increases/decreases from 1996/1997 through the present year.

City of Chesapeake
 Single Family Residential - by
 Borough 2015

Borough	#Sales	Median Ratio		C.O.D.		Average Resale Price	%Chg*	Average New Price	%Chg*
		Before	After	Before	After				
Butts Road	125	89.2	94.3	5.9	5.1	\$362,559	7.3	\$400,970	0.7
Deep Creek	518	94.2	95.2	5.4	4.3	\$270,544	1.9	\$368,643	2.1
Pleasant Grove	634	90.8	95.4	5.9	4.6	\$356,978	0.1	\$429,810	4.7
South Norfolk	137	92.7	94.1	6.7	5.3	\$171,413	4.4	\$211,040	0.4
Washington	671	92.0	95.2	5.3	3.8	\$284,798	9.3	\$360,400	-8.5
Western Branch	345	92.6	95.5	6.0	4.6	\$293,834	1.7	\$397,915	12.7

* % change in average sales price from 12/31/2014

City of Chesapeake

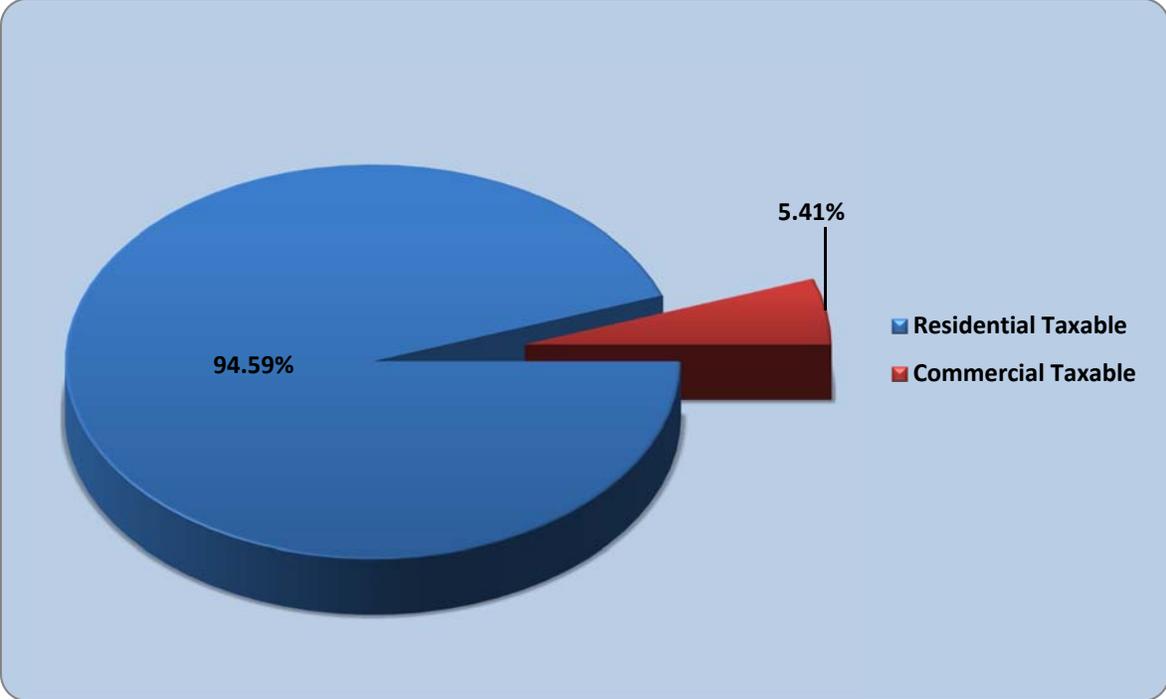
2015 Sales Breakdown

Type	# Sales	Average Price	Average Assessment Change (sales file)	Median Ratio		Dispersion	
				Before	After	Before	After
RESIDENTIAL							
Single Family	2,430	\$317,735	3.4%	91.8	95.2	5.7	4.4
Condominium (detached)	73	\$265,880	3.1%	94.3	97.1	5.2	3.7
Condominium (attached)	527	\$218,959	3.25%	93.6	96.2	6.1	3.2
Townhouse	178	\$172,386	1.15%	94.5	96.2	5.3	3.8
S.F.R. Land	146	\$157,295	9.6%	90.2	95.9	14.9	24.8
Residential Duplex	1	\$225,007	2.7%	93.0	95.5	n/a	n/a
COMMERCIAL							
Commercial Improved	37	n/a	n/a	91.3	96.6	19.4	13.4
Commercial Land	9	n/a	n/a	83.6	90.9	28.7	36.0
Commercial Condos	2	n/a	n/a	95.3	95.3	0.6	0.6
CITY TOTAL	3,403			92.2	95.6	6.4	5.1

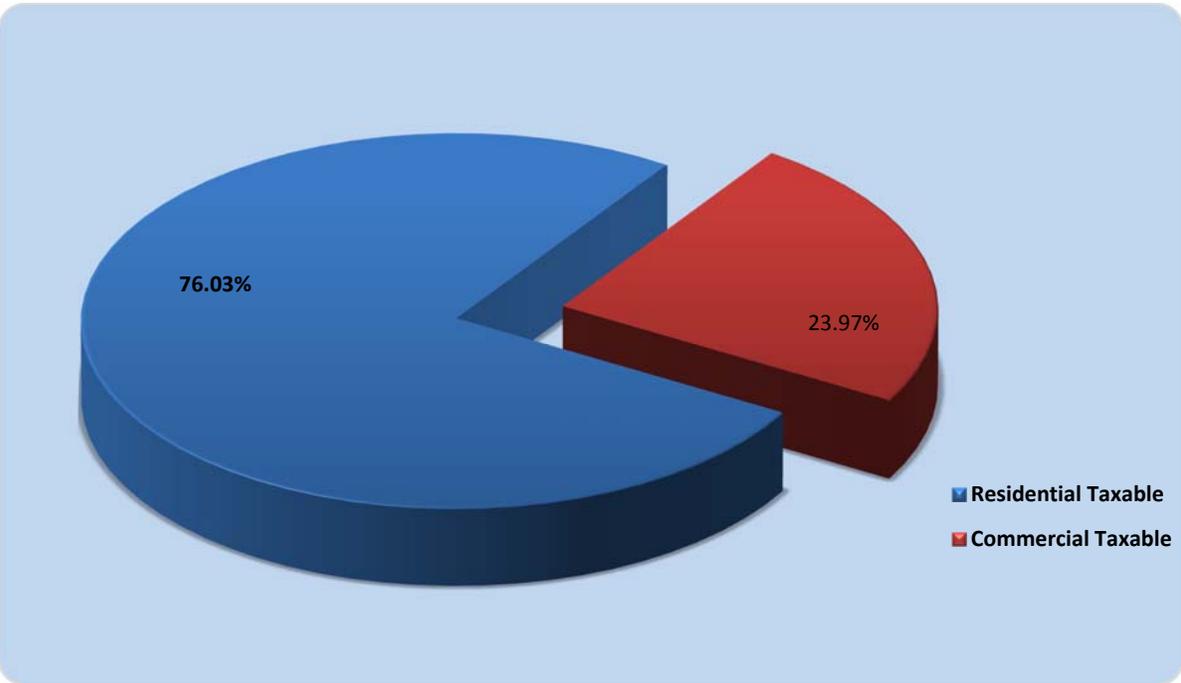
**City of Chesapeake
Average Sales Price-Single Family 1994 - 2015**

Year	Overall		Resales		New Construction	
	#Sales	Average Price	#Sales	Average Price	#Sales	Average Price
1994	3,168	\$133,371	1,530	\$112,610	1,638	\$152,749
1995	2,602	\$132,547	1,809	\$117,548	793	\$166,789
1996	2,891	\$135,335	1,990	\$124,321	894	\$160,149
1997	2,728	\$139,320	1,784	\$128,044	934	\$161,847
1998	2,829	\$146,921	2,022	\$136,139	796	\$175,008
1999	3,371	\$151,516	2,345	\$140,288	1,026	\$177,956
2000	2,929	\$159,547	2,148	\$146,156	762	\$198,891
2001	2,997	\$171,588	2,422	\$158,629	551	\$231,300
2002	3,368	\$184,448	2,630	\$170,488	776	\$233,205
2003	2,545	\$211,681	1,904	\$196,222	631	\$259,704
2004	4,830	\$245,637	3,789	\$222,956	1,011	\$334,146
2005	4,277	\$306,250	3,435	\$275,709	809	\$441,267
2006	3,272	\$333,456	2,654	\$302,799	599	\$472,747
2007	2,346	\$328,143	1,966	\$309,833	368	\$429,650
2008	1,694	\$320,888	1,400	\$304,569	288	\$402,352
2009	1,544	\$301,403	1,225	\$286,031	319	\$360,436
2010	1,469	\$304,667	1,185	\$293,489	284	\$351,311
2011	1,337	\$295,834	1,049	\$284,195	288	\$338,227
2012	1,573	\$295,458	1,257	\$284,168	316	\$340,367
2013	1,856	\$303,524	1,432	\$289,301	424	\$351,557
2014	1,960	\$309,724	1,498	\$292,293	462	\$366,243
2015	2,430	\$317,735	1,872	\$300,207	558	\$376,602

**Total Taxable Parcels by Division
2016/2017**



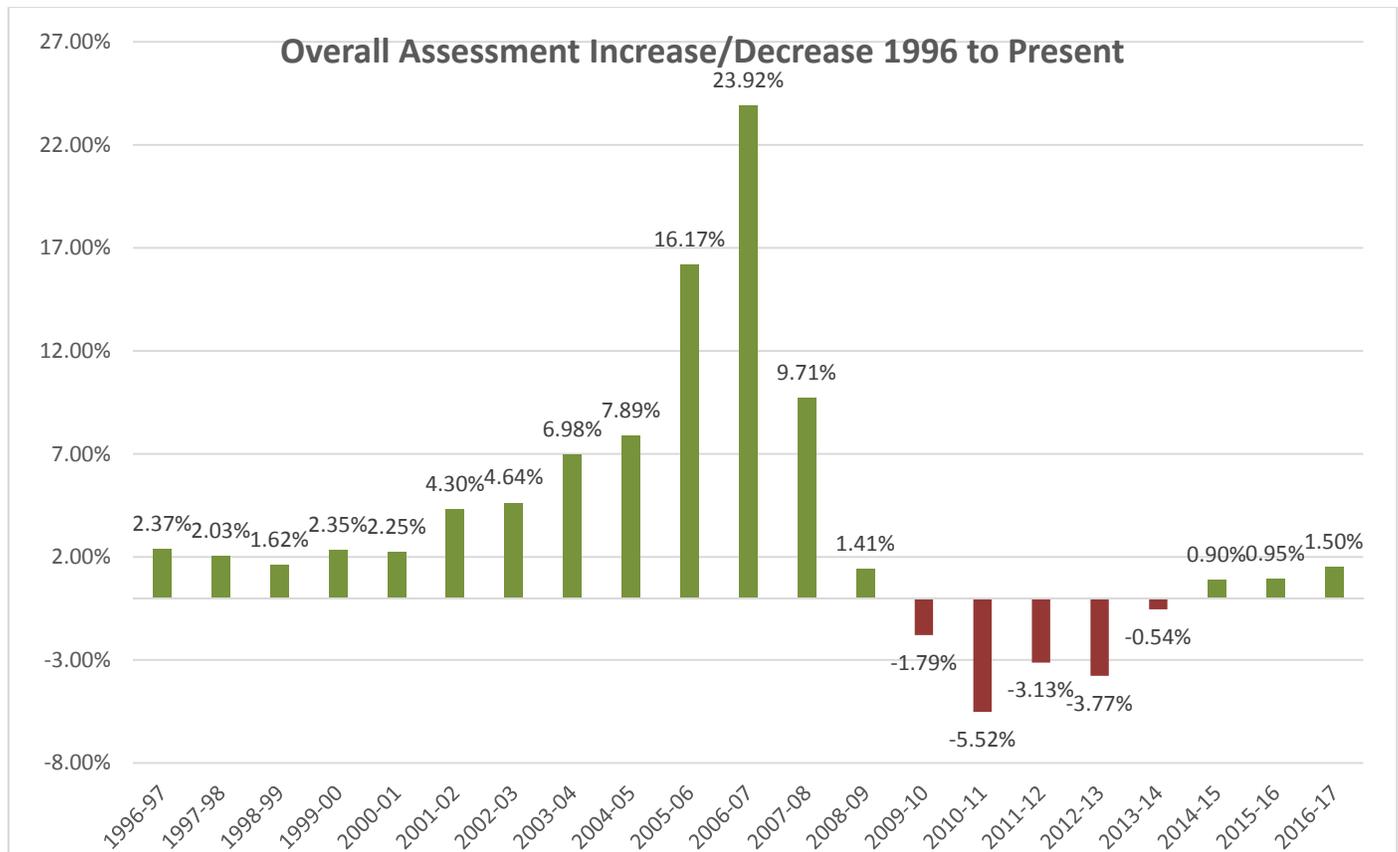
**Total Taxable Assessed Value by Division
2016/2017**



OVERALL REVALUATION INCREASE/DECREASE

<u>YEAR</u>	<u>PERCENTAGE INCREASE/DECREASE</u>
January 1, 2016	1.50%
January 1, 2015	0.95%
January 1, 2014	0.90%
January 1, 2013	-0.54%
January 1, 2012	-3.77%
January 1, 2011	-3.13%
January 1, 2010	-5.52%
January 1, 2009	-1.79%
January 1, 2008	1.41%
January 1, 2007	9.71%
January 1, 2006	23.92%
January 1, 2005	16.17%
January 1, 2004	7.89%
January 1, 2003	6.98%
January 1, 2002	4.64%

As always, during the revaluation process, the goal is to have all properties at an equitable assessment level while reflecting market value. This objective is to comply with state code and eliminate any one part of the city or one class of property from being assessed higher or lower than the other properties. Emphasis is always given to finding and correcting any inequities that may exist among similar properties.



REVALUATION SUMMARY

RURAL ACREAGE:

After many years of consecutive increases, recommended land use values provided from the Department of Taxation and compiled by the State Land Evaluation Advisory Council (SLEAC); have decreased from TY2016 to TY2017. For example, Chesapeake experienced a -7.89% decrease in the Type III use values from 2016 to 2017. Good forestlands use values decreased -5.18% from \$579 to \$549. Classification is by soil composition.

YEAR TAX RATE*	2010/11 \$1.05	2011/12 \$1.05	2012/13 \$1.05	2013/14 \$1.05	2014/15 \$1.05	2015/16 \$1.05	2016/17 ?
Class							
I	750	860	1,510	2,370	3,340	3,990	3,670
II	680	780	1,360	2,140	3,000	3,590	3,310
III	500	580	1,010	1,580	2,220	2,660	2,450
IV	400	460	810	1,270	1,780	2,130	1,960
V	300	350	610	950	1,330	1,600	1,470
VI	250	290	500	790	1,110	1,330	1,220
VII	150	170	300	470	670	800	730
VIII	50	60	300	160	220	270	240
Class							
EXCELLENT	705	657	631	610	640	700	673
GOOD	495	455	444	428	452	579	549
FAIR	332	329	294	282	300	427	405
NON-PRODUCTIVE	100	100	100	100	100	100	100

*Includes mosquito control fee

CITY OF CHESAPEAKE				
LAND USE ACREAGE SUMMARY REPORT				
BORO	2016-2017			
	Agricultural	Horticultural	Forestry	Open Space
01 BUTTS RD	9,360.0117	4.0000	3,791.1424	
04 BUTTS RD Mosq	5,115.4002		1,853.8143	185.4530
12 DEEP CREEK	2,636.9826	32.7400	4,052.6215	181.7150
20 PLEAS GROVE	10,704.8652	15.1250	5,673.2458	
23 PLEAS GR Mosq	4,296.9340	618.1133	6,959.5487	133.6750
31 SOUTH NORFOLK TIF			30.8580	
42 WASHINGTON Mosq	381.5993		1,611.7860	203.4590
43 WASH GRB TIF			61.4620	
52 WESTERN BRANCH	417.2439	0.2500	999.2425	
TOTALS	32,913.0369	670.2283	25,033.7212	704.3020

CITY OF CHESAPEAKE
LAND USE TOTALS BY TAX DISTRICT
FOR LAND BOOK 2016-17

BORO/DISTRICT	NUMBER	LU-VALUE	MARKET VALUE	DEFERRED VALUE
01 BUTTS ROAD	232	33,090,617	57,330,700	24,240,083
04 BUTTS ROAD	152	19,710,260	28,638,900	8,928,640
12 DEEP CREEK	174	18,801,209	63,037,000	44,235,791
20 PLEASANT GROVE	270	39,389,431	61,249,500	21,860,069
23 PLEASANT GROVE	190	21,967,224	50,987,300	29,020,076
31 SONO TIF	2	12,497	478,300	465,803
42 WASHINGTON	36	6,439,698	31,508,800	25,069,102
43 WASHINGTON TIF	2	36,321	7,157,800	7,121,479
52 WESTERN BRANCH	49	6,136,551	27,209,100	21,072,549
TOTALS	1,107	\$145,583,808	\$327,597,400	\$182,013,592

RESIDENTIAL/RURAL

As was the case last year, the economic conditions impacting the residential real estate market across the nation have generally improved reflecting increases in housing values. While Hampton Roads has seen modest improvement in the current real estate market the region did feel the impact of sequestration in 2013. Having said this, a large military presence, active seaport and desirable location on the Mid-Atlantic are just some of the factors buffering this region from various aspects the current economy is having on the residential market. Notwithstanding the favorable aspects of the Hampton Roads metropolitan area, the drag exerted on the local residential housing market over the last several years is still somewhat noticeable. This year's report, however, reflects the third year of increasing values following five prior consecutive years of decreases; thus indicating improving conditions in the local market. The following information summarizes the changes implemented as a result of the annual revaluation for the January 1, 2016 reassessment.

The residential/rural market experienced an overall increase of 1.41% for the 2016/17 fiscal year. Of the 78,729 taxable residential/rural parcels, 43,854 or 55.7% received a change in the value from the previous year. The average percent change per parcel was 1.39%. This year's residential revaluation has seen property values increase on average throughout the city for the third consecutive time in eight years. The overall increase this revaluation of 1.41% for residentially assessed properties, is in line with trends in the local market.

Residential Increases/Decreases by Borough were as follows:

Western Branch	1.04%
South Norfolk (Non-TIF Area)	0.27%
South Norfolk (TIF Area)	0.42%
Deep Creek	1.27%
Washington (Non-TIF Area)	1.27%
Washington (TIF Area)	0.00%
Butts Road	2.22%
Pleasant Grove	1.82%

Residential Increases/Decreases City-Wide for:

Townhouses	0.09%
Attached Condos	0.07%
Detached Condos	2.58%

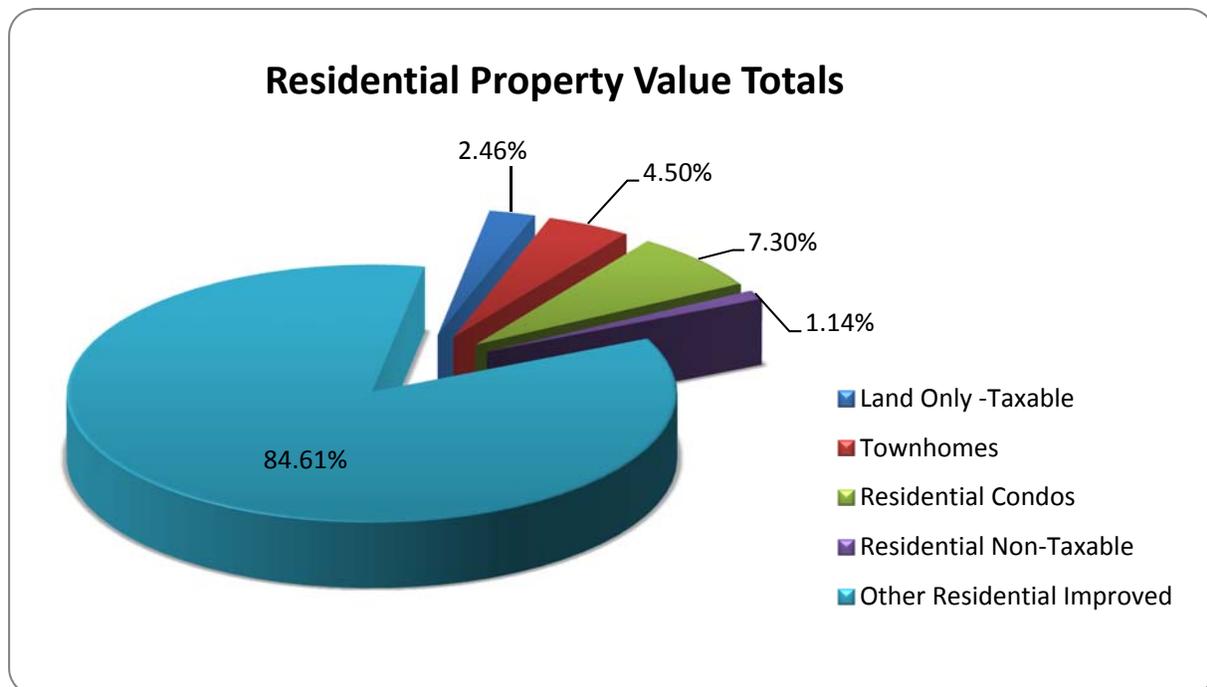
RESIDENTIAL REVIEW AREAS:

In continuing our goal of improving the uniformity of residential assessments, specific property reviews are typically performed. While it would be desirable to have every property in the city inspected each year, it is physically impossible with current staffing levels, as well as cost prohibitive. This process would require the selection of review areas based on analyzing statistical data, field inspections to include (where necessary) the re-measurement of buildings, and alterations based on observed age/condition and market desirability. The review process this year has been restricted to data corrections/alterations that are necessary to ensure a more accurate and functional data conversion from our current 40 year old C.A.M.A. (Computer Assisted Mass Appraisal) mainframe system to a new self-contained C.A.M.A. system.

A partial listing of areas/parcels that may have no change in assessments:

- Platted subdivisions without streets and/or utilities
- Vacant lots in areas without water and/or sewer
- Small lots deemed non-buildable throughout the city
- Common Areas, Homeowner Association Properties
- Areas where sales and other market conditions supported values established last year.

In our continuing effort to make sure all properties are properly addressed, we had value changes on 55.70% of all taxable parcels. *NOTE: Figures shown in the charts may not equal 100% due to rounding.*



COMMERCIAL/ INDUSTRIAL:

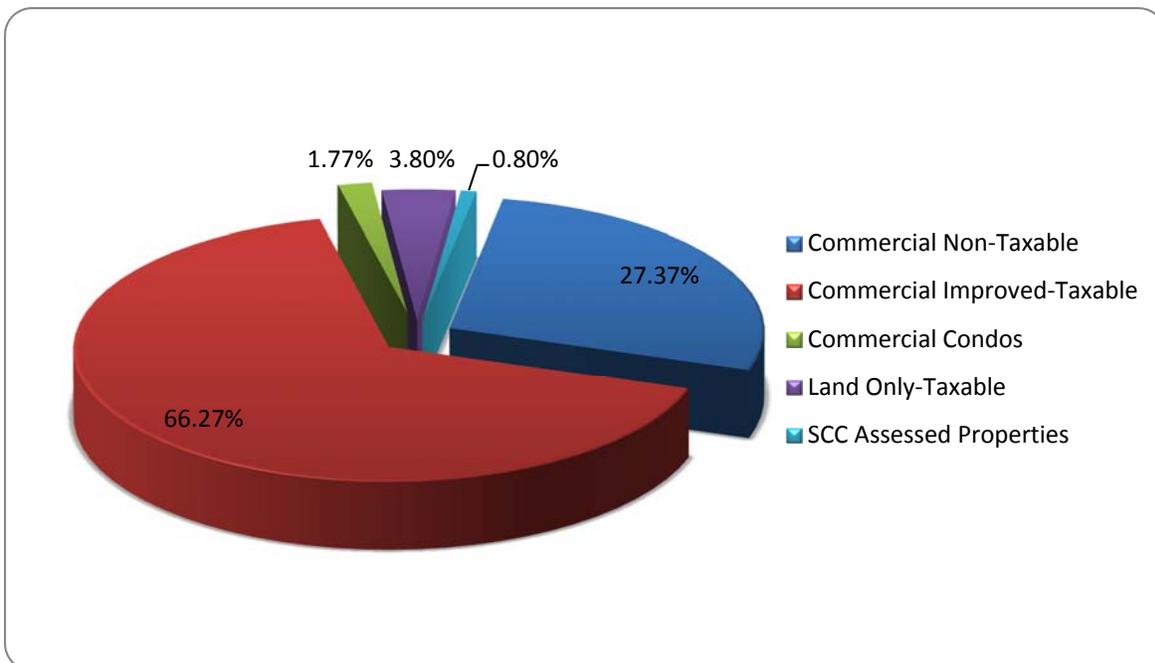
The positive signs of stabilization observed last year, have once again, contributed to modest growth throughout several sectors of the commercial market. Quality properties continue to be favored, while mid-level and lower level properties appear to have adjusted to the new equilibrium. This year, the overall reassessment value reflects a proposed increase of well over two percent. The following specifies the changes for commercial/industrial properties that were measured for 2016-2017.

The commercial/industrial market experienced an overall increase of 2.94% for the 2016-2017 fiscal year. This translates into a \$166,381,400 increase in the taxable commercial base. Of the 4,504 taxable commercial parcels, 1,743 or 38.69% received a change in value from the previous year. The average percent change per parcel was 2.69%. In keeping with last year's changes, this year's commercial revaluation reflected an overall increase in values. This marks the fifth consecutive year of positive commercial growth.

Overall value changes by borough were as follows:

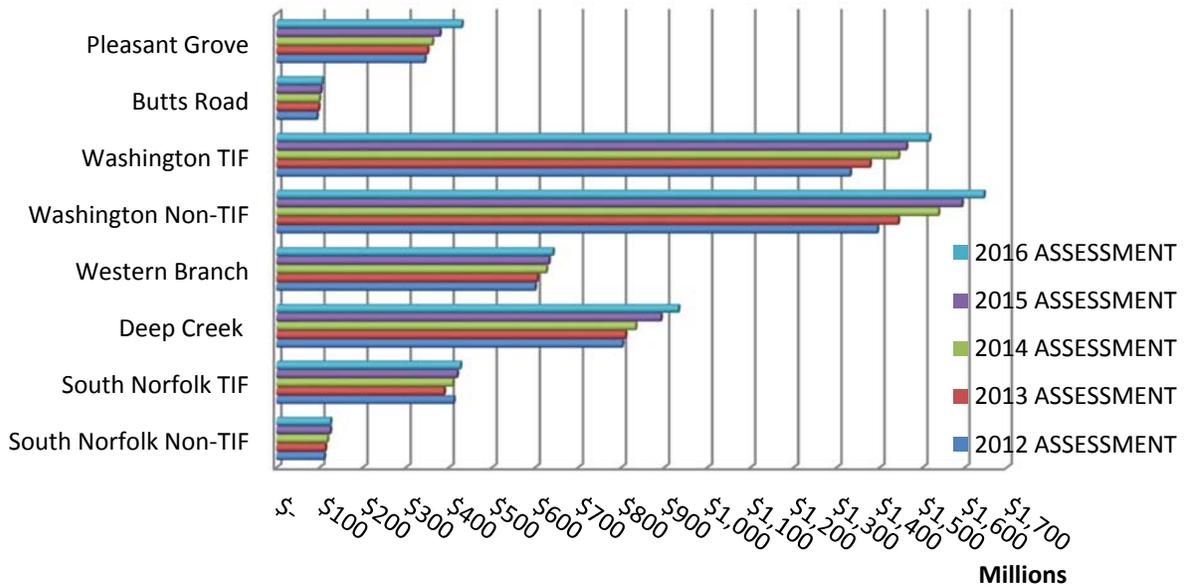
Butts Road	3.53%
Deep Creek	1.84%
Pleasant Grove	3.01%
South Norfolk (Non-TIF Area)	1.28%
South Norfolk (TIF Area)	2.20%
Washington (Non-TIF Area)	3.34%
Washington (TIF Area)	4.10%
Western Branch	1.52%

Commercial Property Value Totals for 2016/2017



NOTE: Figures shown in the charts may not equal 100% due to rounding.

Commercial Assessment Borough Comparison Years 2012-2016



The Revaluation Process:

Although commercial property only comprises approximately 5.41% of the taxable parcels, it represents approximately 23.97% of the taxable value. To ensure these properties are valued in accordance with state code and city ordinance, a detailed revaluation process is followed.

The process begins with mass mailings in May/June requesting previous year-end income and expense information. This list is constantly updated to focus on leased properties and thereby lessen mailing expenses. A secondary mailing is sent in October/November to any property which failed to respond to the initial mailing. Sales data were also collected and verified through owners, agents, and/or local commercial real estate appraisers. In addition to the requested rental information, published data and general information received from real estate brokers specializing in specific property types and areas were utilized. Sources cited include Old Dominion University's Annual Market Survey and local commercial real estate appraisers for general rental rate and occupancy information. Additional information is obtained through PriceWaterhouseCoopers' Real Estate Investor Survey to supplement the local data. Finally, cost data from local and nationally recognized sources were used in conjunction with the income and market information.

The information gathered is arrayed and analyzed based on its specific property type and location. With this data all commercial properties are valued according to their location, as well as specific property type, with attention to known and emerging growth areas. In general, commercial property valuation is performed with consideration given to all three approaches to valuation. The final valuation may be weighted toward one or more of the approaches depending upon the type of property valued and the amount of information available.

Property Type Analysis

In general, specific property types allow for a more detailed analysis even in mass appraisal processes. The following is a selection of major property types and the results of the year-long analysis.

Hotel/Motel

The hotel market continued to show some strengthening in 2015. The industry started to rebound in 2014, after it was significantly impacted by the 2008-2009 financial collapse and the addition of 700 rooms (new or extensively remodeled) just as the recession started in 2008. Revenue per available room (Rev Par) continues to increase slightly and this, coupled with no new inventory since the Value Place delivery in 2013, has helped to promote the stabilization of this category.

The Real Estate Assessor's Office received 21 responses to our Income and Expense requests, which reflects about 47% of the hotels in the city. Any property that did not respond to our initial request in April received a second request in November.

The overall change for the period was an increase of 7.16%, which equates to an increase of \$13,840,300 for this property type. Several properties received larger increases or decreases, which reflects individual performance and how each corresponded to the overall market.

Office

The large office category is stratified with those offices that have over 10,000 square feet. Large offices have continued to stabilize during the most recent revaluation period. Large office rents have started to increase once again and vacancy has been absorbed with the lack of additional construction of multi-tenant office space. This trend is expected to continue until demand for office space increases.

The only significant new construction has been for single users. In 2013, construction was completed on the 140,000 square foot FBI building and in 2014 the 152,000 square foot office for Oceaneering off Greenbrier Parkway.

This category received a 5.61% increase in assessed value for the period. This equates to an overall increase of \$25,179,800 of assessed value. Income and Expense requests were sent out to all offices that are not owner occupied. We received 41 responses, which represents 65% of the category.

Retail

The Chesapeake retail market continues to show moderate improvement over the previous year. Notably, new small retail strips have been developed in the Greenbrier, Grassfield, Edinburgh, and Chesapeake Square areas.

Retail in Chesapeake is a diverse mix of small shops, centers, and two regional malls. For the shopping center segment an overall increase of 6.29% or \$24,995,300 was experienced. The malls and the related parcels experienced an overall decrease of -2.78% or -\$4,931,200, while discount and department stores slight decrease of -0.07% or -\$86,600 from the previous year. Other retail affiliated properties experienced an overall increase of 4.85% or \$11,721,100. The adjustments to retail market values typically will fluctuate due to variety of project size, quality, and location.

Apartments

For the fourth consecutive year, the apartment market continued to increase in value. The overall change was an increase of 2.09% which translates to \$23,649,400 in assessed value. The increase was largely credited to the increase in monthly rates as well as the analysis of the recent sales of apartment complexes.

The response of Income and Expense requests was favorable with 106 apartments responding. The figure reflects approximately 63.0% of the apartment base.

Red Knot @ Edinburgh completed construction on their last three buildings during 2015. Construction is near complete on The Shire in the northern portion of the City Of Chesapeake. This is a small, 40 unit complex off of Berkley Avenue and Tatemstown Road. Construction has also begun on a 140 unit complex (Catalina Crossing) at the old Discovery Life Center site on Military Hwy in the South Norfolk section of the city.

New Construction for the Year:

There were several significant new construction projects in the Washington Borough during 2015.

The Kempsville Road corridor remains active in small retail construction with the build out of Greentree Shops and the start of Greentree Commons, which is anchored by Barker Veterinary. Under construction in the Washington Borough are a Sentara Assisted Living Facility, located on Oak Grove Road, a Chesapeake Retirement Center on Great Bridge Boulevard and a Sports Medicine and Orthopedic medical office building in Oakbrooke Commerce Park.

Construction of a Take 5 Oil auto maintenance facility was completed in 2015. Located just north of the Take 5 is a Krispy Kreme, which is scheduled to open in March 2016.

In the Deep Creek area, The Promenade Shopping Center along with the Village Inn were constructed on Cedar Road.

Western Branch saw the partial repurposing of the Kmart, vacated in 2014, into a Gabe's. This marks Gabe's entry into the Hampton Roads market.

In Cavalier Industrial Park, Sonny Merryman has begun construction on a nearly 40,000 square feet facility. A third building nearly 12,000 square feet was added to the property at 1210 Scholastic Way.

In Pleasant Grove, construction was completed on a Murphy's Gas Station, Zaxby's Restaurant, Dunkin' Donuts and Cinema Café in the Edinburgh area. Red Knot at Edinburgh Apartments has also completed construction. Additionally, the Rite-Aid and Waffle House were completed at the intersection of Mount Pleasant Road and Centerville Turnpike.

Market Activity for the Year

During 2015, sales activity has increased slightly in the City of Chesapeake. The activity experienced here mirrored other areas with sales of better located, higher performing properties at one end and distressed sales at the other. The following represents a few noteworthy transactions.

In the Washington Borough, the largest transfer was of the Oceaneering building that was completed early in the year, for \$30,000,000. Two significant hotels sold, including the Hyatt at Towne Place for \$10,555,374 and the former Sun Suites, which will be rebranded as an InTown Suites, sold for \$5,625,000.

The former NOVA Chemical site transferred for \$4,850,000.

In the office sector, the Savage and McPherson building located at 376 Kempsville Road, sold for \$1,000,000.

The HH Gregg at 1543 Sam's Circle sold September 1, 2015 for \$4,200,000.

In the Deep Creek borough, Norfolk Recycling sold at 5409 W. Military Highway on October 14, 2015 for \$823,530.

In the apartment sector, Kay Willow Apartments, located on Taylor Road sold for \$4,515,000 and Deep Creek Crossing, located on Gilmerton Road, sold for \$5,068,200.

Days Inn located at 1439 George Washington Highway North sold June 29, 2015 for \$2,025,000.

Land has transferred in the Hanbury Shopping Center December 14, 2015 for \$1,075,000. A five unit retail strip is proposed.

The Edinburgh East Retail Shopping Center sold December 2, 2015 for \$2,800,000.

Land sold at 1458 Mount Pleasant Road May 15, 2015 for \$1,300,000. The Rite-Aid drug store was constructed on this site during the fall of 2015.

In Cavalier Industrial Park, Commerce Plaza sold November 19, 2015 for \$1,555,000.

The Outlook for Tax Year 2016/2017:

The outlook for 2016 is promising, building upon the positive growth experienced through 2015. The retail sector continues to show signs improvement. Hotels are beginning to rebound and several sectors are absorbing idled supply. It is anticipated that Chesapeake will continue to experience slow, minimal growth for the near future.

The following represents a few notable examples of Chesapeake's continued growth. In the Washington Borough, construction has already begun on the Kroger grocery store, located on North Battlefield Boulevard. Also sited with the Kroger are a proposed Dick's Sporting Goods Store and Field and Stream, as well as, a Home Goods Store. Chesapeake will be receiving its first Aldi, a retail chain selling a range of grocery items. This represents Aldi's second entry in the local area with the only other store located in Portsmouth. The former Nova Chemical site was purchased and is pursuing redevelopment as a solid waste management facility.

Commercial Taxable Assessed Value Range 2016-2017

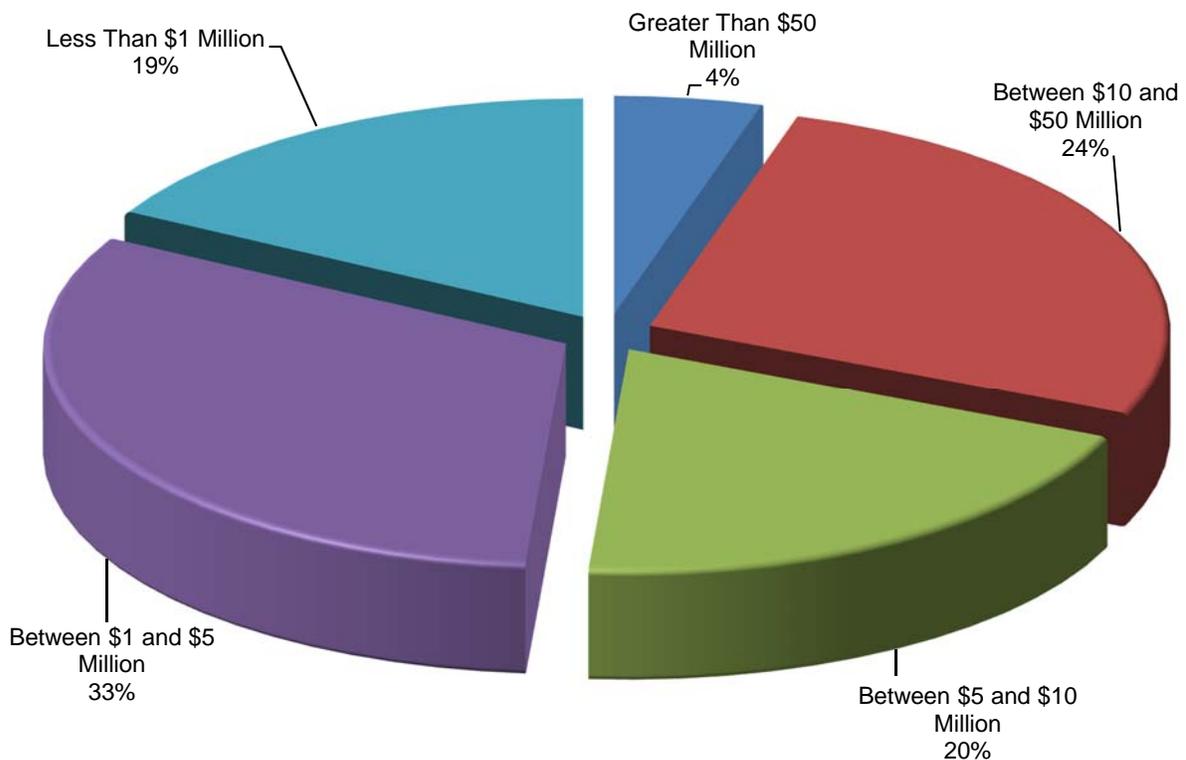


EXHIBIT I							
JANUARY 1, 2016 TAX BASE INCREASE/DECREASE FROM JULY 1, 2015 THRU DECEMBER 31, 2015							
	<u>BUTTS ROAD</u>	<u>DEEP CREEK</u>	<u>PLEAS. GROVE</u>	<u>S. NORFOLK</u>	<u>WASHINGTON</u>	<u>WEST. BRANCH</u>	<u>CITY TOTAL</u>
July. 1, 2015	1,409,243,295	3,876,472,897	5,292,257,000	1,418,023,176	8,176,405,024	3,334,634,411	23,507,035,803
Jan. 1, 2016	1,442,399,677	3,977,677,409	5,465,507,655	1,438,622,697	8,380,267,619	3,380,598,451	24,085,073,508
% Increase/Decrease	2.35	2.61	3.27	1.45	2.49	1.38	2.459
Bldg. Permits	7,272,400	46,124,500	68,738,200	8,143,000	36,533,000	12,199,800	179,010,900
% Increase	0.52	1.19	1.30	0.57	0.45	0.37	0.762
Rezoning 1/2016	0	70,100	1,928,700	0	1,848,300	968,200	4,815,300
% Increase	0.00	0.00	0.04	0.00	0.0226	0.03	0.0205
New Parcels 1/2016	1,430,000	14,789,000	11,128,200	1,706,800	9,355,000	4,128,200	42,537,200
% Increase	0.10	0.38	0.21	0.12	0.11	0.12	0.181
Supplementals	125,000			3,377,600	0	12,200	3,514,800
% Increase	0.01	0.00	0.00	0.24	0.00	0.00	0.015
Exonerations	(168,800)	(876,300)	(263,300)	(3,218,175)			(4,526,575)
% Decrease	(0.01)	(0.02)	(0.00)	(0.23)	0.00	0.00	(0.019)
Reval. 1/2016	24,497,782	41,097,212	91,718,855	10,590,296	156,126,295	28,655,640	352,686,080
% Increase	1.74	1.06	1.73	0.75	1.91	0.86	1.500
The above figures exclude State Corporation Commission and Railroad Properties which were \$863,665,831 in 2015/16.							

OBSERVATIONS:

The overall total taxable assessed value as of January 1, 2016 is \$24,085,073,508. This represents an increase from all causes (revaluation, building permits, rezoning, new subdivision, etc.) of 2.46% rounded over the July 1, 2015 *Land Book* assessed value of \$23,507,035,803. However, the 2016 revaluation alone reflects a 1.5% increase after adjustments.

Exhibit I is a summary itemizing the tax base changes by borough (see page 19).

The July 1, 2016 *Land Book* (taxable value of the city) is anticipated to be \$24,225,715,508. This calculates to a 3.05% increase over the current year. The State Corporation Commission assessments and State-assessed properties are not included but should add over \$863,665,831 to the tax base. **Exhibit II**, (see page 21) shows the assessment estimates projected for the 2016/2017 fiscal year. A report by the Department of Taxation of *The 2014 Assessment/Sales Ratio Study* is the most current received. The last report shows Chesapeake's 2014 overall assessment/sales median ratio before revaluation to be 95.62% with a coefficient of dispersion (C.O.D.) of 4.59%. The C.O.D measures how closely the individual ratios are arrayed around the median. The smaller the dispersion, the more uniform or equitable the assessments are. Chesapeake continues to produce numbers sufficient to place us in the top localities with reference to the Department of Taxation Annual Assessment/Sales Ratio Study. A comparison of some selected jurisdictions is listed:

**Department of Taxation
2014 Assessment /Sales Ratio
(Preliminary as of December 2015)**

<u>JURISDICTION</u>	<u>MEDIAN</u>	<u>C.O.D.</u>
Chesapeake	95.62%	4.59%
Newport News	98.29%	7.40%
Virginia Beach	88.91%	9.36%
Hampton	98.50%	9.50%
Portsmouth	100.86%	8.57%
Norfolk	96.51%	8.42%
Suffolk	98.09%	7.83%
Alexandria	94.76%	7.05%
Richmond	89.76%	18.19%
Chesterfield County	94.35%	6.41%
Henrico County	92.32%	7.94%

EXHIBIT II

ASSESSMENT ESTIMATE FOR FISCAL YEAR 2016/2017

	July 1, 2015	Jan 1, 2016	Jan 1, 2016	July 1, 2016	Jul-16	Jan. 1, 2017
<u>Borough</u>	Land Book	New Construction	Reval	New Construction	Land Book	Supplementals
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>(Anticipated)</u>	<u>(Anticipated)</u>	<u>(Anticipated)</u>
BUTTS ROAD	1,409,243,295	7,272,400	1,442,399,677	10,474,900	1,452,874,577	5,952,000
DEEP CREEK	3,876,472,897	46,124,500	3,977,677,409	38,497,600	4,016,175,009	33,058,000
PL. GROVE	5,292,257,000	68,738,200	5,465,507,655	25,628,300	5,491,135,955	34,143,200
SOUTH NORFOLK	232,121,200	168,300	234,115,100	291,800	234,406,900	641,700
SO. NORFOLK TIF	1,185,901,976	7,974,700	1,204,507,597	8,986,300	1,213,493,897	8,818,300
WASHINGTON	6,703,990,721	35,907,200	6,847,040,398	39,471,100	6,886,511,498	42,921,200
GREENBRIER TIF	1,472,414,303	625,800	1,533,227,221	1,760,900	1,534,988,121	3,269,600
W. BRANCH	3,334,634,411	12,199,800	3,380,598,451	15,531,100	3,396,129,551	10,584,500
TOTALS:	23,507,035,803	179,010,900	24,085,073,508	140,642,000	24,225,715,508	139,388,500

State Oversight and Quality Control Measures

The Virginia Assessment/Sales Ratio Study

Introduction

In accordance with Section 207 of Title 58.1 of the Code of Virginia, the Virginia Department of Taxation conducts an annual real property assessment/sales ratio study covering every city and county in the Commonwealth. An annual report summarizes the results of the study. The study estimates the existing assessments/sales ratio for each locality by comparing assessed values to the selling prices of **bona fide sales of real property**. A locality's total fair market value of real estate, divided by its assessment/sales ratio, produces an estimate of the locality's total true (full) value of real estate. The local true values developed in this study are used as a factor in Virginia's basic school aid distribution formula. The study also determines the effective local true tax rates across the State. The effective true tax rate (expressed per \$100 of true value) provides an appropriate means of comparing tax rates on similar properties in different taxing jurisdictions. The study also serves as an element in the determination of assessment levels of public service corporation property in each locality of the State. Finally, the study evaluates the level of uniformity in the assessment of real property within and across jurisdictions of the State.

The assessment/sales ratios are calculated from a statistical sample of all fair market real estate sales in a given year, with **all bona fide sales** used in the case of smaller localities. The Department of Taxation allows localities to file all of their real estate transactions directly with the Department in a prescribed format. For each selected parcel, its assessed value in a given year is compared to its sale price to calculate an assessment/sales ratio. The best indicator of a locality's overall assessment/sales ratio is the median, or midpoint of the ratios when ordered by value. The median ratio captures the performance of the real estate market; a low median ratio indicates a strong market. However, a median ratio close to 100 percent (where assessed values closely approximate sales prices) may indicate that a reassessment has been undertaken recently.

The study uses standard statistical measures, such as the coefficient of dispersion and the regression index, to examine the level of uniformity in the assessment of real property within and across jurisdictions in Virginia. The coefficient of dispersion is based on the average absolute deviation as recommended by the International Association of Assessing Officers (IAAO). It measures how closely individual ratios are grouped around the median; the smaller the measure of dispersion, the greater the uniformity of the ratios. The regression index compares the treatment of less expensive property with that of more expensive property. It evaluates the relative tax burdens of owners of low and high valued properties. The statistical terms, methodology used for computation, and the sources of data are detailed in the appendices of the annual study.

With reference to *Assessment/Sales Ratio Study* mentioned herein The Department of Taxation for the Commonwealth of Virginia explains that the utilization of the ratio report is as follows:

Although a number of other measures could be used to measure the locality's true assessment/sales ratio the median has been deemed to be the best measure. The median is unaffected by distortions caused by large sales or "extreme ratios at either end of the spectrum and especially those at the higher end." By not allowing these situations to significantly influence the ratios and by using a large number of sales, the median ratio should give accurate approximation of the existing level of assessment in a locality. Moreover, the accuracy of the median ratio is recognized by the National Association of Tax Administrators, the U.S. Department of Commerce, and special committee of the International Association of Assessing Officers (IAAO).

Statistical Measures

In addition to computing the assessment/sales ratio, the study is also used to help determine how uniform the assessment level is within a locality. Clearly, if real property owners are not assessed uniformly, then the property tax is inequitable. The greater the spread in the assessment ratios, the greater the inequity. The Virginia Department of Taxation uses two widely accepted statistical measures to compare the uniformity of assessment – the index of inequality (coefficient of dispersion) and the regression index.

The coefficient of dispersion is a statistical measure used to measure how closely the individual ratios of each locality are arrayed around the median ratio, with the median being the representative ratio for that locality. The coefficient of dispersion used in the annual *Assessment/Sales Ratio Study* is based on the measure recommended by the IAAO.

A small coefficient of dispersion indicates that the ratios are grouped relatively close to the median and that assessment of property is more equitable. A large coefficient indicates that there is a wide spread in the ratios around the median, reflecting a less uniform assessment of property. The acceptable level for the coefficient of dispersion depends on the type of property considered, and the size of the sample. The IAAO notes that an overall low coefficient (15 percent or less) tends to be associated with good appraisal uniformity. A coefficient of 15 percent or less indicates a good distribution of assessments for single-family residential properties. Similarly, a coefficient of 20 percent or less indicates a good distribution for more diverse classes of property. A less uniform assessment translates into inequality in actual tax burdens.

The Regression Index

This is another measure used to show the uniformity of assessment. This measure is shown only for the single family residential classification category in the ratio study. This statistical measure gauges the relationships between the ratios of high priced and low priced properties to determine if the value of the property has any influence on the assessment ratio. In theory, it should not since all property should be assessed at the same relationship to fair market value. Statistically, the regression index is defined as the mean ratio divided by the sales weighted average ratio. A value of 1.00 indicates a uniform relationship between assessed values and selling prices of properties with different prices.

There is some disagreement among property tax experts about what constitutes a reasonable regression index. This disagreement has not yet been completely resolved; nevertheless, many people believe an index between .95 and 1.05 is reasonable.

Prior to the recent revaluation, this office conducted an assessment/sales ratio study. This study compared the 2014/2015 assessments to the 2014 sale prices of all classes and types of properties. A second assessment/sales ratio study was conducted comparing the after January 1, 2015 revaluation assessments to the same property sales. The results of the second study show the new assessment level now to be:

Mean (Average) Ratio:	95.90%
Median Ratio:	95.60%
Coefficient of Dispersion	5.08%

A summary comparing the two studies, **Exhibit III**, is shown on page 27 for your review.

CLOSING COMMENTS:

As I stated in the beginning of this report, our mission is to provide the fair and equitable appraisal of real estate for assessment purposes. The dominant factor is to distribute the burden of taxation, so far as is practical, evenly and equitably. All assessments of real estate are to be at 100% of their fair market value, to be ascertained as prescribed by law. However, because of the recognized difficulty in determining true fair market value, the Virginia Supreme Court has never struck down an assessment done at less than fair market value. In place of this standard, the Virginia Supreme Court has made the “uniformity requirements” the paramount requirement in taxation of property. In order to accomplish our required job tasks as outlined, we are committed to being knowledgeable of the most current methods and technologies available to the appraisal/assessment profession. Having worked with this staff for the past twenty-eight (28) years, I can assure you that the assessor’s office staff is professional, proficient in their job duties and committed to doing the very best job they possibly can.

By virtue of this commitment, the Real Estate Office has positioned itself in the forefront of the assessment field. This will allow us to better service the citizens of Chesapeake.

Additional information attached for your consideration includes department accomplishments, objectives, historical data, and current economic trends. Also included is a report on Taxable New Construction over the last few years.

ASSESSMENT DETAIL SHEET 2016/2017

Average Assessment Increase Overall	1.50%
Average Residential Assessment Increase	1.41%
Average Commercial Assessment Increase	2.94%

Residential Properties Status 16-17

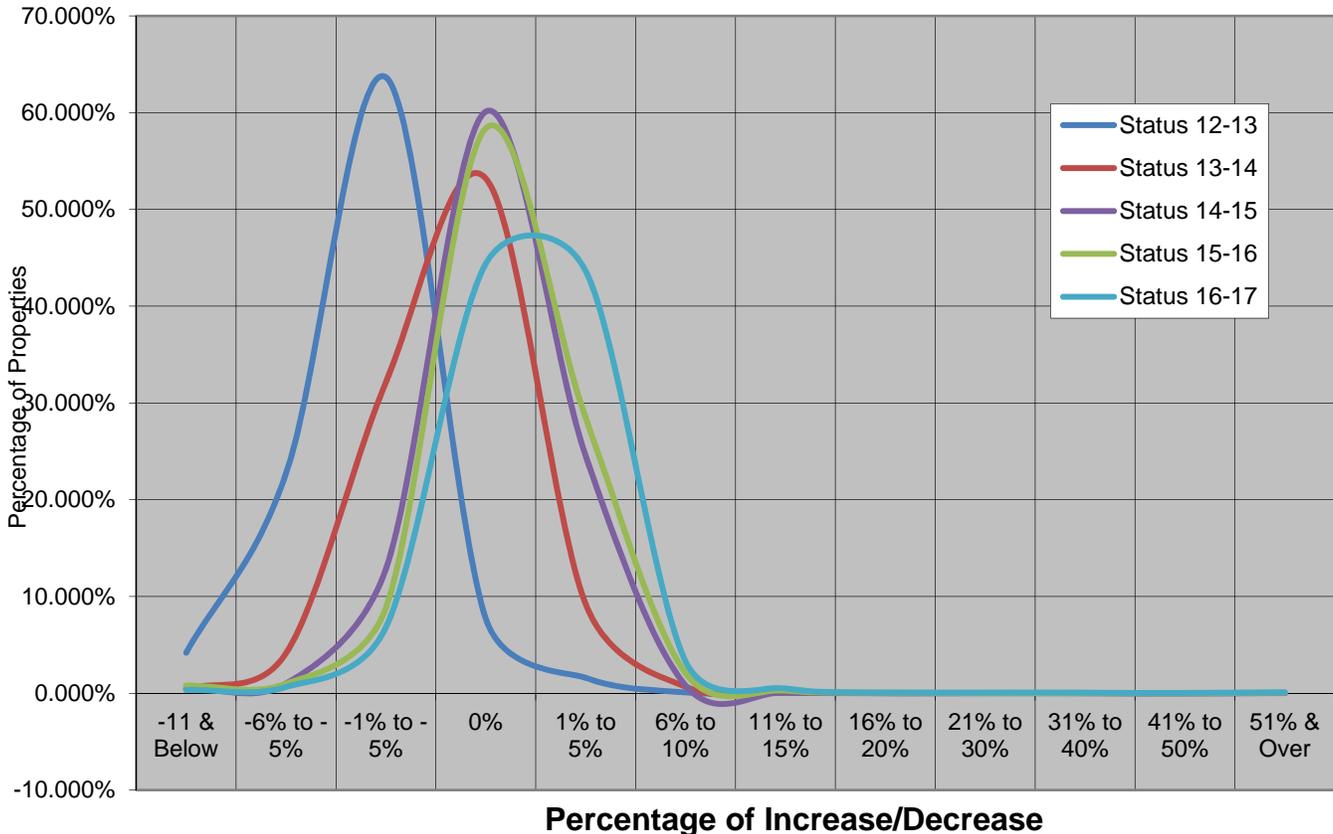
Total Number of Taxable Residential Parcels	78,729
Properties Experiencing a Decrease in Assessments	7.80%
Properties Experiencing No Change in Assessments	44.40%
Properties Experiencing a 1% -10% Increase in Assessments	46.92%
Properties Experiencing a 11% or Greater Increase in Assessments	0.87%
Total Residential Properties Experiencing Change in Assessments	55.60%

Commercial Properties Status 16-17

Total Number of Taxable Commercial Parcels	4,504
Properties Experiencing a Decrease in Assessments	4.07%
Properties Experiencing No Change in Assessments	67.47%
Properties Experiencing a 1% - 10% Increase in Assessments	26.15%
Properties Experiencing a 11% or Greater Increase in Assessments	2.29%
Total Commercial Properties Experiencing Change in Assessments	32.53%

Note - Figures shown above may not equal 100% due to rounding.
Includes 174 Parcels with No Values

Residential Properties Status 2012/13 - 2016/17



Assessment / Sales Ratio Report 2016/17

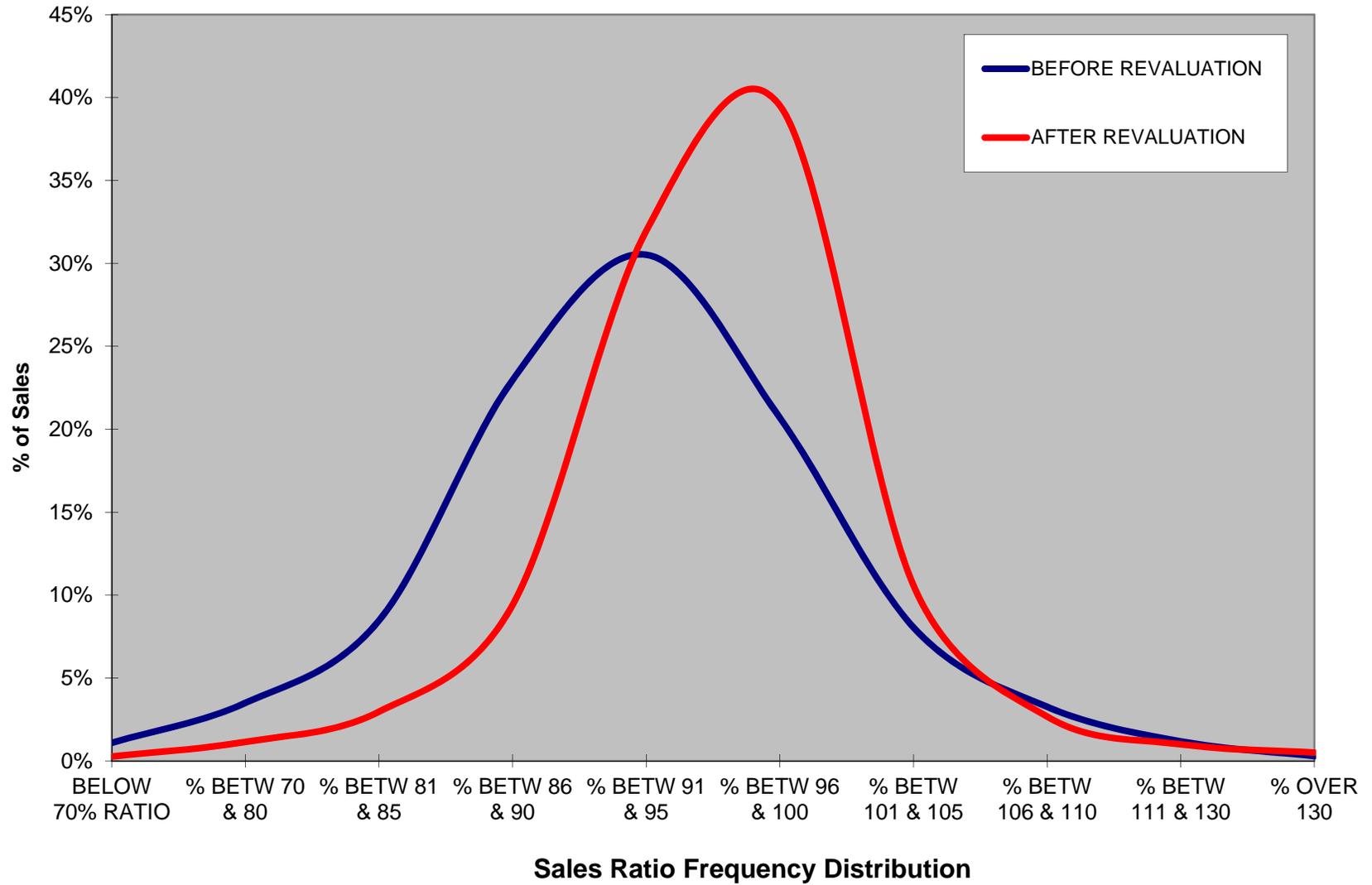


EXHIBIT III

**CITY OF CHESAPEAKE
ASSESSMENT/SALES RATIO REPORT
FOR 2015**

JANUARY 1, 2016

BEFORE REVALUATION

TOTAL SAMPLE3,404
TOTAL SALES AMT1,054,298,142
AVERAGE SALE.....309,723
TOTAL ASSM AMT.....955,428,000
AVERAGE ASSESSMENT280,714
AGGREGATE RATIO0.906
MEDIAN RATIO0.922
MEAN RATIO.....0.924
AVERAGE DEVIATION0.059
COFFECIENT OF DIS..... 6.415
STANDARD DEVIATION..... 8.734
PRICE REL DIFF1.020

RANGE % OF SAMPLE

BELOW 70% RATIO0.01
% BETW 70 & 80.....0.03
% BETW 81 & 85.....0.08
% BETW 86 & 90.....0.23
% BETW 91 & 95.....0.31
% BETW 96 & 100.....0.21
% BETW 101 & 105.....0.08
% BETW 106 & 110.....0.03
% BETW 111 & 130.....0.01
% OVER 130.....0.00

AFTER REVALUATION

TOTAL SAMPLE.....3,404
TOTAL SALES AMT1,054,298,142
AVERAGE SALE.....309,723
TOTAL ASSM AMT.....993,480,200
AVERAGE ASSESSMENT291,916
AGGREGATE RATIO0.942
MEDIAN RATIO0.956
MEAN RATIO0.959
AVERAGE DEVIATION0.049
COEFFICIENT OF DIS5.077
STANDARD DEVIATION14.238
PRICE REL DIFF1.017

RANGE % OF SAMPLE

BELOW 70% RATIO0.00
% BETW 70 & 80.....0.01
% BETW 81 & 85.....0.03
% BETW 86 & 90.....0.09
% BETW 91 & 95.....0.32
% BETW 96 & 100.....0.40
% BETW 101 & 105.....0.11
% BETW 106 & 110.....0.03
% BETW 111 & 130.....0.01
% OVER 130.....0.00

Based on all current indications, the City should continue with a stabilizing real estate market this year (2016). We anticipate that housing prices will increase in 2016. There should be modest appreciation appearing in the 1st quarter of 2016 and continues into 2017. (See page 34).

Finally, I have included a report showing the effects of the revaluation to the tax rate. This information is to comply with *Title 58.1-3321 of the Code of Virginia* regarding a Public Notice of a Tax Increase. When any annual assessment results in an increase of 1% or more in the total real property tax levied, such county, city, or town shall reduce its rate of levy for the forthcoming tax year so as to cause such rate of levy to produce no more than 101 percent of the previous year's real property tax levies, unless subsection B of this section is complied with. Subsection B states that the governing body of a county, city, or town may, after conducting a public hearing, which shall not be held at the same time as the annual budget hearing, increase the rate above the reduced rate required in subsection A above if any such increase is deemed to be necessary by such governing body.

If you should have any questions, or wish to discuss the information presented in the report in more detail, please advise.

Sincerely,

A handwritten signature in black ink, appearing to read "David B. Sanford". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David B. Sanford, CAE, SRA
Acting Real Estate Assessor

DBS/ds

cc: James E. Baker, City Manager
Jan L. Proctor, City Attorney
Wanda Barnard-Bailey, Deputy City Manager
Sandra Madison, City Clerk
Steven Jenkins, Budget Director

Addendum

January 1, 2016

DEPARTMENT ACCOMPLISHMENTS, GOALS & OBJECTIVES 2016

Accomplishments:

1. Successful completion of the Annual Reassessment.
2. Expanded our Review Process.*
3. Completed a Parcel-by-Parcel Inventory.*
4. All Parcel Splits, Parcel Combinations, New Subdivisions, New Condominium Projects and any new Tax Increment Financing (TIF) Projects were identified and mapped for 2016.
5. Provide our Annual Reassessment Report online.
6. Established Website Review Committee to expand On-Line Capabilites.*
7. Flexible work schedules=Upbeat in Morale=Improved Operations.*
8. Cross training=A Continual Daily Routine.*
9. Managed and Completed Increasing Workload with current Staff Shortages.
10. New Construction and Building Addition/Demolition Permits were processed and completed within established time frames for the fiscal year.
11. Continual Education=Equipped and Professional Staff.*
12. Upgraded Equipment=Less "Down Time"=More Efficient Use of Time.*
13. Continue to refine Assessment Notice Mailing Process=Positive use of Employee Time.*
14. Updated General Filing System=Easier Access to Current Documents.*
15. Upgraded Department Budget Reporting Documents=Accuracy on the "Bottom-line."**
16. Eliminated need for Overtime required for the Revaluation Process through increased Efficiencies.*
17. Real Estate Assessment Appeals, both Informal and Formal; were processed and completed in a Professional Manner in accordance with Department Policy and City Statutes.
18. Provide Assistance and Property Information to the Public including: Taxpayers, Realtors, Private Fee Appraisers, Lending Institutions, Title Companies, Attorneys, Land Surveyors, other City Departments and Government Entities.*
19. Concluded RFP and procurement phase of acquiring a new CAMA system. A few examples of important milestones achieved to date include:
 - Supplied the Vendor with a complete extraction of all Chesapeake real estate data.
 - The test environment "Servers" have been configured and are being put to use.
 - We have a version of the CAMA application housed on the test servers, which includes sample data from another jurisdiction.
 - We recently tested the Accela/CAMA web service with CAMA's current environment, and are following up with database testing. We are also conducting weekly meetings to prepare for the many important mainframe interfaces with other city systems.
 - The comprehensive task of mapping all of our current mainframe data to the appropriate places in the new CAMA application is complete.
 - The following phases of data conversion, testing and implementation have proceeded in an effective and efficient manner.
 - Training and preparation for "GO-LIVE" are under way.

*Ongoing

DEPARTMENTS GOALS AND OBJECTIVES:

The Real Estate Assessor's Office administers all laws pertaining to the assessment of real estate, which includes annually appraising and inventorying all real estate in the City in a fair and equitable manner for ad valorem tax purposes in accordance to State and City law. The office performs appraisals of real property, analyzes the real estate market, inspects property, and searches public records of sales, leases, etc. to estimate market value, administers the Land Use Assessment program, approves properties requesting tax exempt status, annually notifies property owners of their assessment change, maintains and prints the Landbook, maintains and updates property identification maps, and provides real estate related information to other departments and the public.

DEPARTMENTS GOALS AND OBJECTIVES:

Goal: Meet legal requirements by fairly assessing all real estate uniformly and equitable while maintaining assessment/sales ratios superior to all other localities in the State.

Objectives:

- Analyze all market data to determine the influences on market value.
- Inspect and appraise properties to determine physical and/or functional changes.
- Create assessment records for newly subdivided or created properties.
- Determine eligibility of properties requesting tax exemption status.
- Compile and maintain an accurate tax roll and pricing schedules.

Goal: Administer the Land Use Assessment Program/Assisting Commissioner of the Revenue Tax Relief Program.

Objectives:

- Monitor participants' eligibility for the program, and issue and apply rollback taxes for properties changing its qualifying use or as required by law.
- Provide assistance to Commissioner of the Revenue's Department with tax relief participants', Disabled Veteran's and Spouses of Service Members Killed in Action property tax bill adjustments.
- Finalized automation of the Exoneration and Supplemental and Rollback Taxes process.

Goal: Provide public information of assessment records.

Objectives:

- Update and add digital images of newly constructed buildings/dwellings.
- Continue the evolution and expansion of the department's website, which includes assessment related information and mapping capability.
- Conduct field reviews on properties listed under the Land use Program.

Goal: Continue to deliver quality customer service through dedicated, competent staff.

Objectives:

- Continue providing educational opportunities and training for employees with regard to current standards and evolving methodologies.
- Ongoing cross-divisional communications and coordination between clerical support, GIS and appraisal teams.
- Implement a progressive approach to Employee Performance Evaluations to include; self-evaluations, upward assessment, traditional reviews and explore peer reviews.
- Update job descriptions for each position in the Assessor's Office.
- Continue to facilitate and promote communication and feedback between leadership team and staff.
- Recognize current and anticipated opportunities and challenges facing the department while maintaining a plan to meet them.
- Improve the workplace to attract, retain and develop motivated employees.

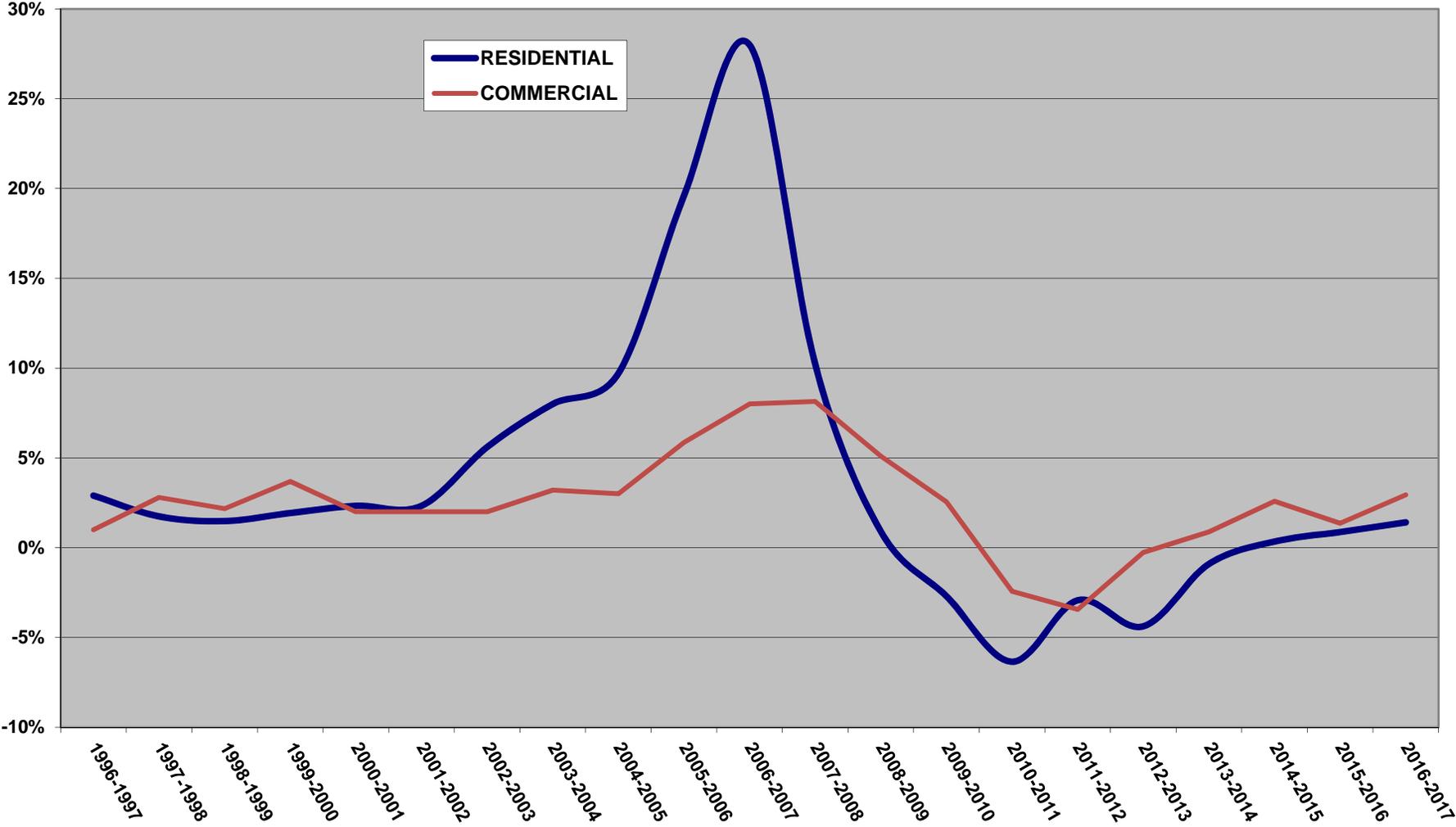
DEPARTMENTS GOALS AND OBJECTIVES:

Goal: Continue to develop an office that conforms to the highest industry standards for the Mass Appraisal of Real Estate:

Objectives:

- In conjunction with the Information Technology Department, complete replacement of the 40-year-old legacy computer assisted mass appraisal system (CAMA) with the implementation phase of a modern "state of the art" system that efficiently addresses immediate and long range needs.
- Work towards earning a Certificate of Excellence in Assessment Administration from the International Association of Assessing Officers.
- Develop new ways to better provide prompt and courteous service to the public.
- Provide presentations to groups and organizations to educate the public regarding the role and duties of the Office of the Real Estate Assessor.
- Vacant Appraiser positions filled to assure New Construction is properly addressed. , that field reviews remain a priority and the Revaluation Process retains a "High" level of Integrity while always Equitable.
- Incorporate new standards regarding procedures used when reviewing City and tax exempt properties (Master Parcel List).
- Instituted a formalized parcel review policy, incorporating all analytical tools an expertise available to staff.
- Be Open to Change!

Assessment Percentage Increases/Decreases 1996-Present



CITY OF CHESAPEAKE ASSESSMENT INCREASE/DECREASE

Assessment Increase/Decrease is the percentage of difference calculated between the past fiscal year assessed value and the current fiscal year assessed value minus allowable deductions (new construction, rezoning and new subdivisions).

FISCAL YEAR	RESIDENTIAL	COMMERCIAL	OVERALL	TAX RATE
			ASSESSMENT INCREASE/DECREASE	
2016/2017	1.41%	2.94%	1.50%	unknown
2015/2016	0.87%	1.36%	0.95%	1.05
2014/2015	0.34%	2.59%	0.90%	1.05
2013/2014	-0.91%	0.88%	-0.54%	1.05
2012/2013	-4.38%	-0.27%	-3.77%	1.05
2011/2012	-2.93%	-3.44%	-3.13%	1.05
2010/2011	-6.35%	-2.43%	-5.52%	1.05
2009/2010	-2.70%	2.56%	-1.79%	1.05
2008/2009	0.69%	5.10%	1.41%	1.05
2007/2008	10.20%	8.10%	9.70%	1.06
2006/2007	28.00%	8.00%	23.92%	1.09
2005/2006	19.60%	5.86%	16.17%	1.21
2004/2005	9.70%	3.00%	7.89%	1.26
2003/2004	8.00%	3.20%	6.98%	1.26
2002/2003	5.60%	2.00%	4.64%	1.26
2001/2002	2.33%	2.00%	4.30%	1.26
2000/2001	2.33%	2.00%	2.25%	1.26
1999/2000	1.93%	3.69%	2.35%	1.26
1998/1999	1.48%	2.17%	1.62%	1.26
1997/1998	1.74%	2.80%	2.03%	1.26
1996/1997	2.90%	1.00%	2.37%	1.26
1995/1996	3.11%	2.91%	3.06%	1.26
1994/1995	1.67%	-0.14%	1.71%	1.27

CITY OF CHESAPEAKE ASSESSMENT INCREASE/DECREASE

Assessment Increase/Decrease is the percentage of difference calculated between the past fiscal year assessed value and the current fiscal year assessed value minus allowable deductions (new construction, rezoning and new subdivisions).

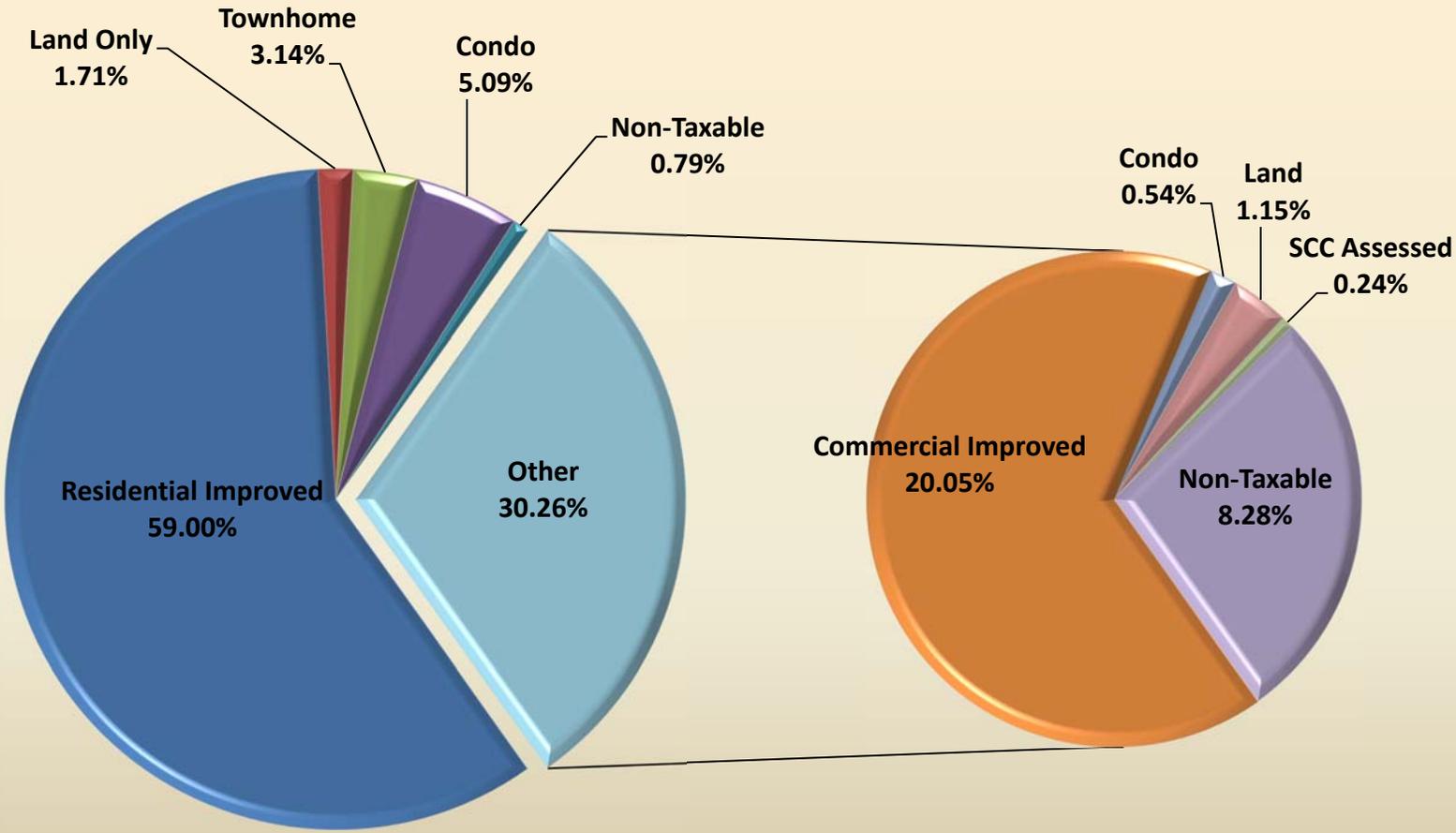
<u>FISCAL YEAR</u>	<u>ASSESSMENT INCREASE/DECREASE</u>
2016/17	1.50%
2015/16	0.95%
2014/15	0.90%
2013/14	-0.54%
2012/13	-3.77%
2011/12	-3.13%
2010/11	-5.52%
2009/10	-1.79%
2008/09	1.41%
2007/08	9.71%
2006/07	23.92%
2005/06	16.17%
2004/05	7.89%
2003/04	6.98%
2002/03	4.64%
2001/02	4.30%
2000/01	2.25%
1999/00	2.35%
1998/99	1.62%
1997/98	2.03%
1996/97	2.37%
1995/96	3.06%
1994/95	1.17%

-0.19%
Average

0.14%
Average

6.06%
Average

Total Assessment Breakout for 2016-2017



**CITY OF CHESAPEAKE
OFFICE OF THE REAL ESTATE ASSESSOR**

TAX BASE PROJECTIONS COMPARED TO ACTUAL TAX BASE VALUES

<u>YEAR</u>	<u>JAN 1, REVALUATION LAND BOOK ANTICIPATED</u>	<u>ACTUAL JULY 1 LAND BOOK VALUE</u>	<u>% CHANGE FROM PREVIOUS JULY 1 LAND BOOK</u>	<u>VARIATION</u>
2016	\$24,085,073,508			
2015	\$23,430,438,311	\$23,507,035,803	+2.67%	(-76,597,492)
2014	\$22,910,002,166	\$22,895,247,880	+2.32%	(-14,754,286)
2013	\$22,350,157,992	\$22,376,519,861	+0.96%	+26,361,869
2012	\$22,246,409,444	\$22,164,609,234	-2.86%	(-81,800,210)
2011	\$22,801,743,164	\$22,818,256,324	-2.09%	+16,513,160
2010	\$23,355,079,117	\$23,306,143,046	-4.66%	(-48,936,071)
2009	\$24,494,450,000	\$24,446,289,217	-0.60%	(-48,160,783)
2008	\$24,551,222,677	\$24,594,427,236	+3.31%	+43,204,559
2007	\$23,691,551,962	\$23,807,521,974	+12.35%	+115,970,012
2006	\$21,080,485,980	\$21,190,154,032	+27.55%	+109,668,082
2005	\$16,175,398,253	\$16,612,591,512	+20.07%	+437,193,259
2004	\$13,706,040,240	\$13,835,216,171	+11.46%	+129,175,931
2003	\$12,388,145,467	\$12,412,427,395	+9.44%	+24,281,928
2002	\$11,279,895,199	\$11,341,502,218	+7.73%	+61,607,019
2001	\$10,471,869,973	\$10,527,780,299	+7.21%	+55,910,326
2000	\$ 9,762,557,235	\$ 9,820,128,918	+5.57%	+57,571,683
1999	\$ 9,243,144,714	\$ 9,302,371,434	+6.23%	+59,226,720
1998	\$ 8,734,621,000	\$ 8,756,437,211	+4.76%	+21,816,211
1997	\$ 8,293,381,274	\$ 8,358,203,649	+5.94%	+64,822,375
1996	\$ 7,870,799,628	\$ 7,889,565,280	+5.84%	+18,765,652
1995	\$ 7,447,835,968	\$ 7,453,922,873	+6.94%	+6,086,905
1994	\$ 6,939,761,390	\$ 6,969,883,800	+5.59%	+30,122,410
1993	\$ 6,613,455,222	\$ 6,600,614,263	+4.19%	(-12,840,959)
1992	\$ 6,332,608,421	\$ 6,335,362,960	+5.26%	+2,754,539
1991	\$ 6,020,839,915	\$ 6,018,953,856	+3.65%	(- 1,886,059)

The above numbers represent assessed/appraised values and not tax dollars.

**CITY OF CHESAPEAKE
LAND BOOK PROPERTY VALUES**

This chart represents both commercial and residential Land Book taxable figures for the fiscal year time periods indicated. (Fiscal Year July 1, - June 30). The next to last column indicates the non-taxable property values. The last column indicates the actual taxable amount.

FISCAL YEAR	COMMERCIAL	NON-COMMERCIAL	NON-TAXABLE Land Use Deferral	TOTAL TAXABLE
2015/2016	5,530,689,674	17,976,346,129	2,457,350,000	23,507,035,803
2014/2015	5,382,635,707	17,512,612,173	2,418,891,800	22,895,247,880
2013/2014	5,133,693,877	17,242,825,984	2,353,541,900	22,376,519,861
2012/2013	4,982,668,073	17,181,941,161	2,286,277,500	22,164,609,234
2011/2012	4,969,957,777	17,848,298,547	2,120,700,000	22,818,256,324
2010/2011	5,087,012,570	18,219,130,476	2,123,338,400	23,306,143,046
2009/2010	5,676,177,356	18,770,111,861	2,082,345,500	24,446,289,217
2008/2009	5,325,977,326	19,268,449,910	2,006,981,772	24,594,427,236
2007/2008	4,589,986,849	19,217,535,125	1,855,633,200	23,807,521,974
2006/2007	4,078,973,175	17,111,180,857	1,751,578,000	21,190,154,032
2005/2006	3,647,245,352	12,660,197,347	1,651,952,000	16,612,591,512
2004/2005	3,328,918,435	10,506,297,736	1,531,618,400	13,835,216,171
2003/2004	3,124,355,852	9,288,071,543	1,409,041,600	12,412,427,395
2002/2003	2,980,057,518	8,361,444,700	1,219,596,700	11,341,502,218
2001/2002	2,831,790,373	7,695,989,926	1,128,664,100	10,527,780,299
2000/2001	2,661,931,401	7,158,197,517	1,117,784,200	9,820,128,918
1999/2000	2,531,900,272	6,770,471,162	1,078,568,300	9,302,371,434
1998/1999	2,341,175,149	6,415,262,026	1,042,747,000	8,756,437,211
1997/1998	2,172,967,300	6,185,781,053	856,091,600	8,358,203,649

Add Non-Taxable to Total Taxable to get totals before land use deferral is deducted.

CITY OF CHESAPEAKE TAX RATES (1992/93 to Present)

Boro	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	
01	1.285	1.27	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.28	1.28	1.23	1.11	1.06	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
04	1.31	1.295	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.23	1.11	1.06	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
10	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
12	1.31	1.295	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.23	1.11	1.06	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
20	1.285	1.27	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.28	1.28	1.23	1.11	1.06	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
23	1.31	1.295	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.23	1.11	1.06	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
30	1.31	1.295	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.23	1.11	1.06	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
31													1.23	1.11	1.06	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
40	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
42	1.31	1.295	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.23	1.11	1.06	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
43													1.23	1.11	1.06	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
52	1.31	1.295	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.23	1.11	1.06	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05

BOROUGH/DISTRICT #'s REPRESENT THE FOLLOWING

01	Butts Road	20	Pleasant Grove	43	Washington TIF
03	Butts Road Mosq. San. N/A	22	Pleasant Grove Mosq. San. N/A	44	Washington Mosq. I.R.W. N/A
04	Butts Road Mosq.	23	Pleasant Grove Mosq.	45	Washington Mosq. D.C.S. N/A
10	Deep Creek	30	South Norfolk	52	Western Branch Mosq.
12	Deep Creek Mosq.	31	South Norfolk TIF	54	Western Branch Mosq. San N/A
14	Deep Creek Mosq. San. 1 N/A	40	Washington	51	Western Branch N/A
15	Deep Creek Mosq. San. 2 N/A	42	Washington Mosq.		

*City of Chesapeake incorporated Mosquito Control for 7/1/90 except most southern and eastern areas

*Mosquito Control expanded for 03/04

*TIF South Norfolk created 1/1/06

*TIF Greenbrier created 1/1/06

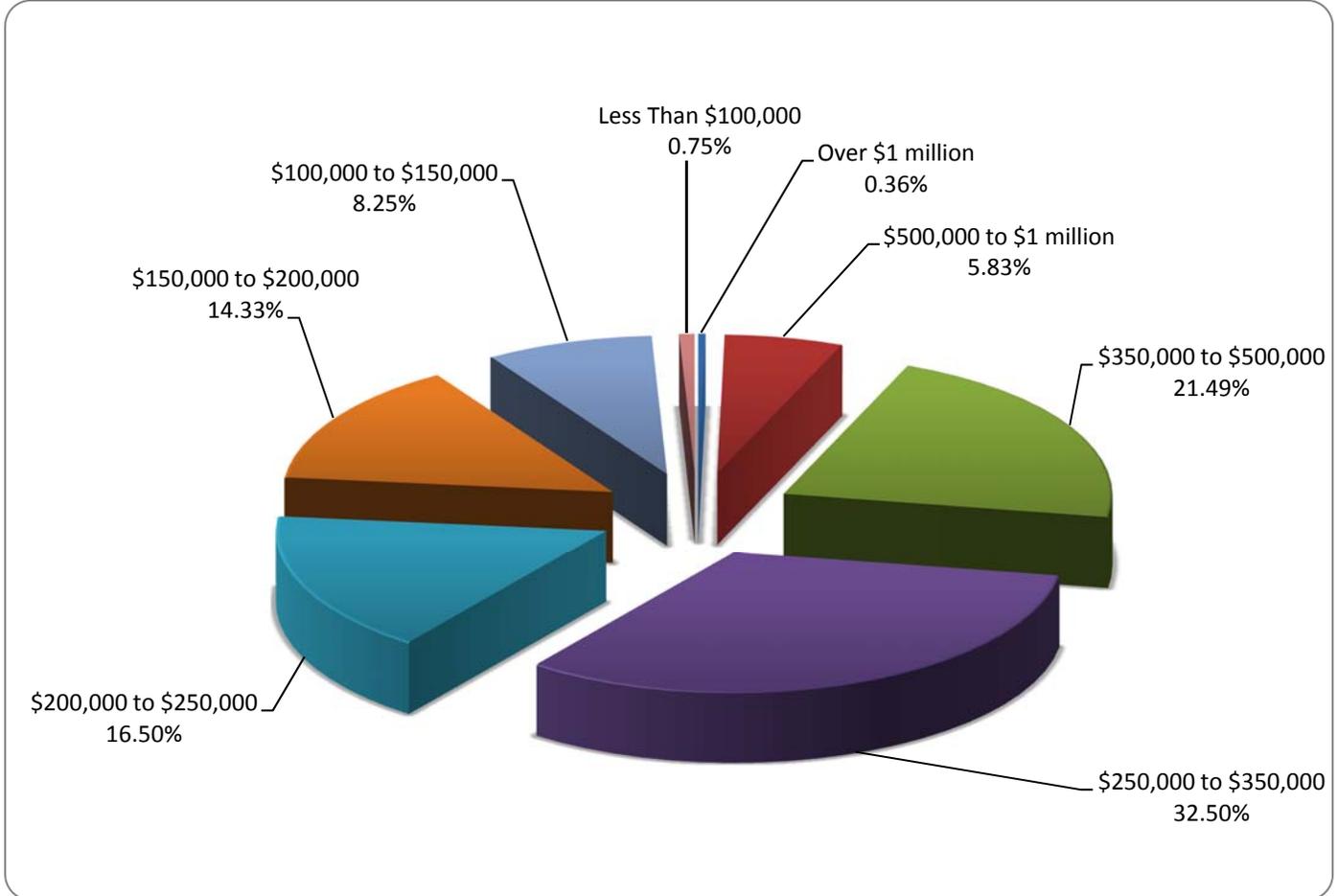
Assessment Ratios to Fair Market Value

1963 thru 1968 = 32%

1969 thru 1976-77 = 50%

1977-78 forward = 100%

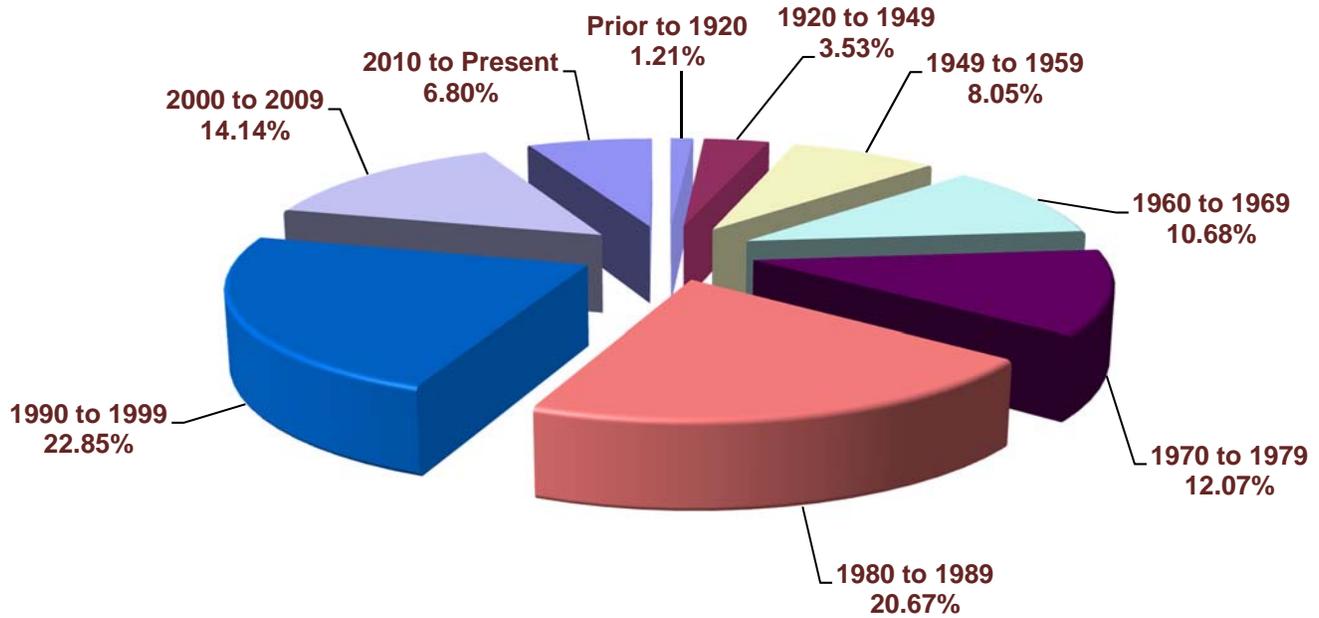
Residential Improved Taxable Parcels Assessed Value Range



2015 Residential Improved Parcels

Value Range	Number of Parcels	Percentage of Parcels	Percentage of Value
Over \$1million	46	0.06%	0.36%
\$500,000 to \$1 million	1,813	2.50%	5.83%
\$350,000 to \$500,000	9,634	13.27%	21.49%
\$250,000 to \$350,000	20,035	27.60%	32.50%
\$200,000 to \$250,000	13,328	18.36%	16.50%
\$150,000 to \$200,000	15,027	20.70%	14.33%
\$100,000 to \$150,000	11,609	15.99%	8.25%
Less Than \$100,000	1,886	2.57%	0.75%

Residential Improved Parcels by Year Built



Residential Improved Parcels by Year Built

<u>Year Built</u>	<u># of Parcels</u>
Prior to 1920	888
1920 to 1949	2,583
1950 to 1959	5,898
1960 to 1969	7,819
1970 to 1979	8,837
1980 to 1989	15,135
1990 to 1999	16,732
2000 to 2009	10,235
2010 to Present	4,978

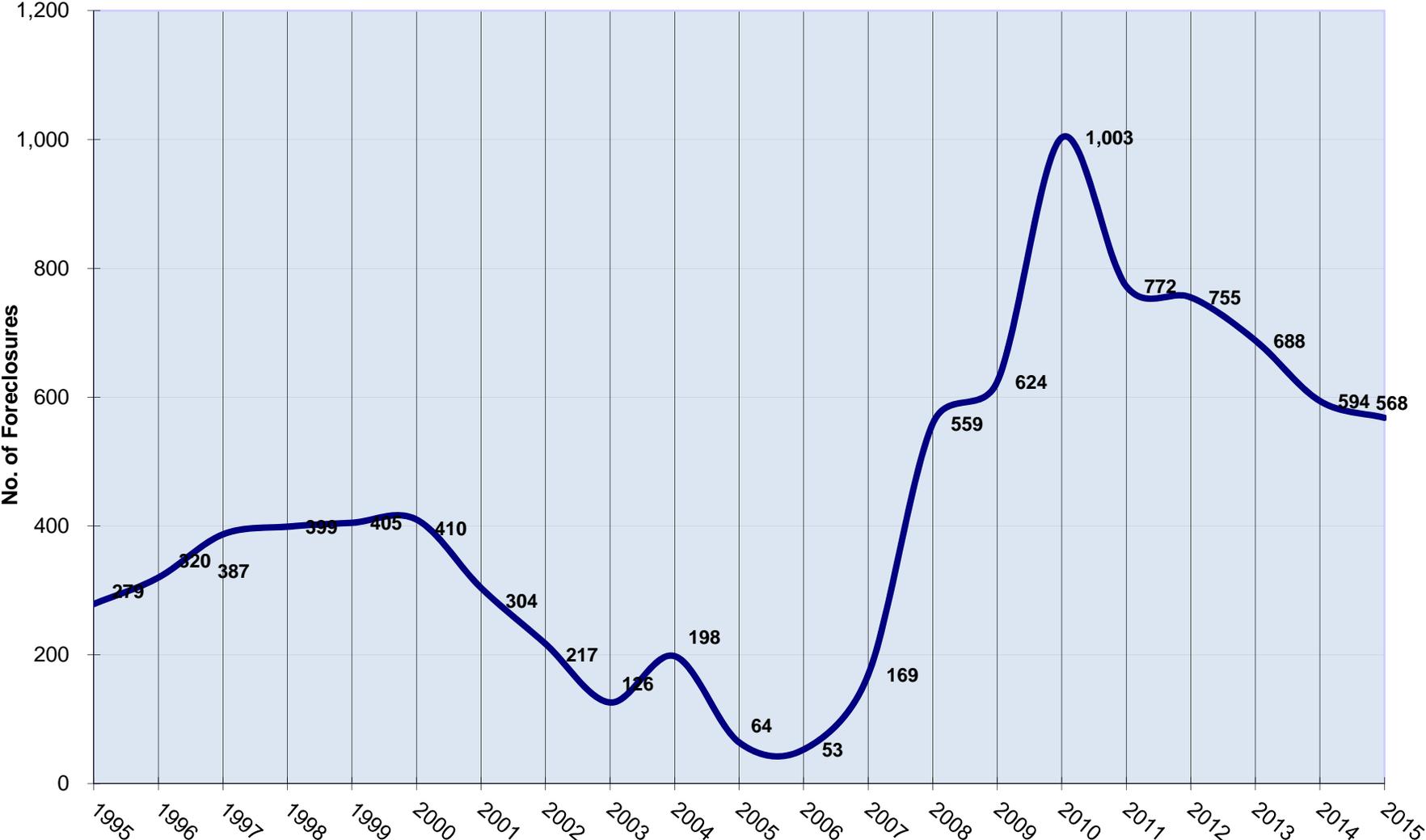
NOTE: Figures shown in the charts may not equal 100% due to rounding.

City of Chesapeake

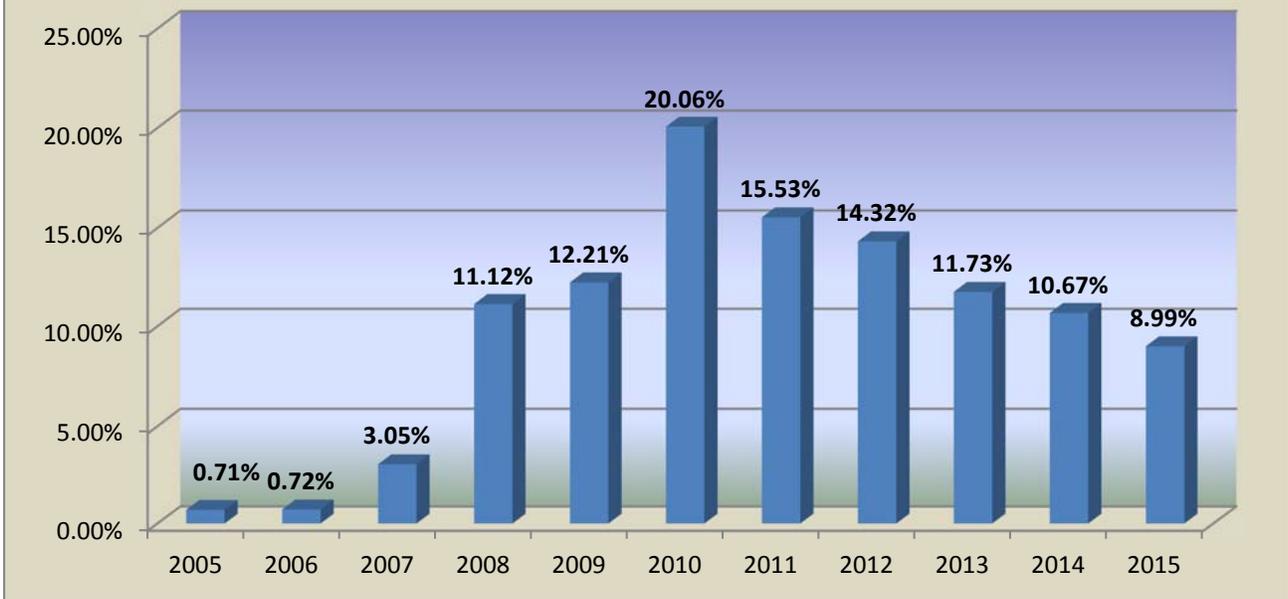
Office of the Real Estate Assessor Foreclosures 1995-2015

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Jan	23	26	35	42	29	46	33	22	8	7	15	1	10	46	45	73	53	63	63	53	47
Feb	21	27	37	39	31	31	25	18	7	11	11	7	14	45	37	71	65	69	57	60	46
Mar	31	22	35	38	40	33	31	12	15	42	7	3	10	33	48	93	52	77	60	56	42
Apr	20	30	30	28	44	26	30	25	16	23	6	8	13	38	42	73	57	61	68	46	53
May	32	28	25	30	31	27	29	17	4	22	3	3	12	42	38	75	64	67	50	57	38
June	16	17	37	32	45	45	23	17	8	27	1	3	6	31	52	81	87	63	51	45	42
July	19	33	31	34	29	42	17	25	12	16	5	2	3	48	57	60	74	50	55	59	51
Aug	24	20	29	33	35	33	27	15	6	12	3	7	12	41	74	99	82	86	69	48	55
Sept	22	27	30	40	24	32	23	25	11	11	4	4	6	65	54	106	60	65	60	37	45
Oct	24	35	35	35	30	26	28	11	15	8	2	5	22	67	56	115	63	43	56	42	62
Nov	22	25	27	30	26	27	18	13	14	9	6	7	28	47	68	92	61	45	44	32	39
Dec	25	30	36	18	41	42	20	17	10	10	1	3	33	56	53	65	54	66	55	60	48
Total	279	320	387	399	405	410	304	217	126	198	64	53	169	559	624	1,003	772	755	688	595	568

City of Chesapeake Foreclosures 1995 to Present



Foreclosures - Percentage of Total Sales



Number of Residential Foreclosures 2015 - Value Range

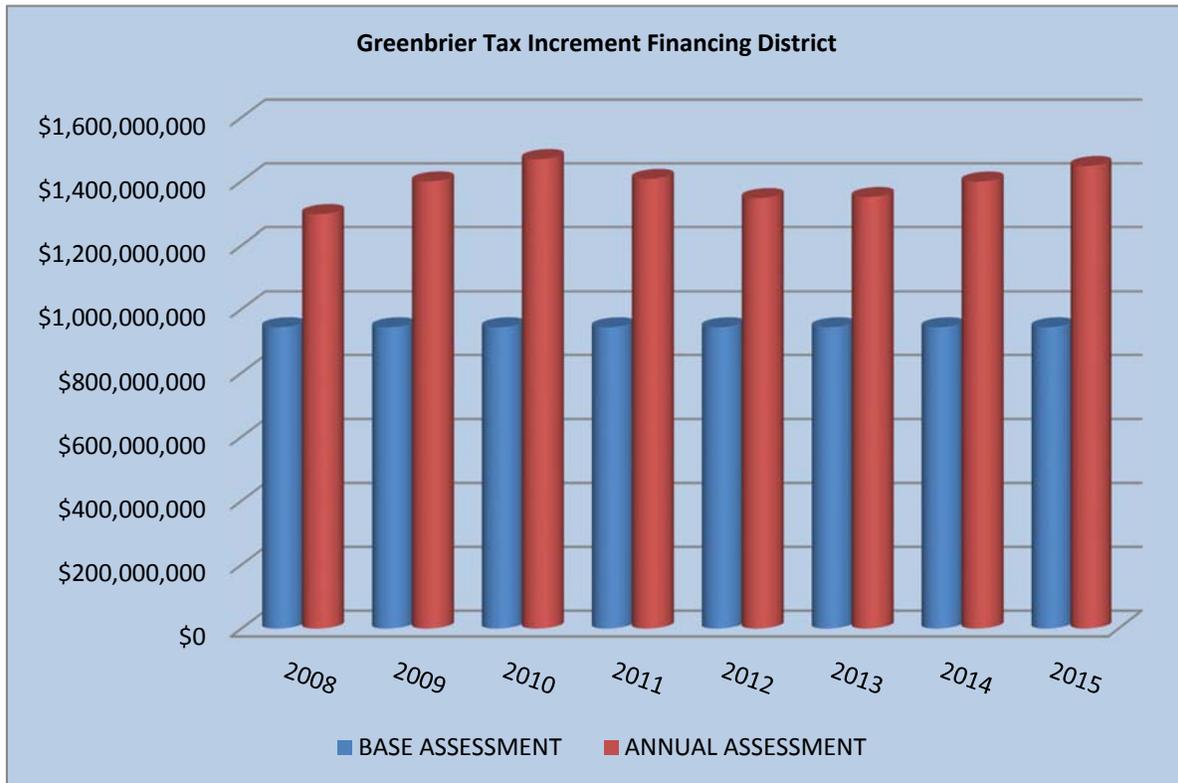


2015 Foreclosures by Property Type

Sales Type	Total Sales	Foreclosures	Percentages
Single Family	3,442	455	13.22%
Townhouses	363	54	14.88%
Attach Condo	676	43	6.36%
Detach Condo	115	18	15.65%
Condo-Boat Slips	15	0	0.00%
Land	778	18	2.31%
Commercial Improve	100	2	2.00%
Commercial Land	64	5	7.81%
Commercial Condo	19	0	0.00%
Totals	5,572	595	10.67%

**TAX INCREMENT FINANCING DISTRICT BY AREA
GREENBRIER TAX INCREMENT FINANCING DISTRICT**

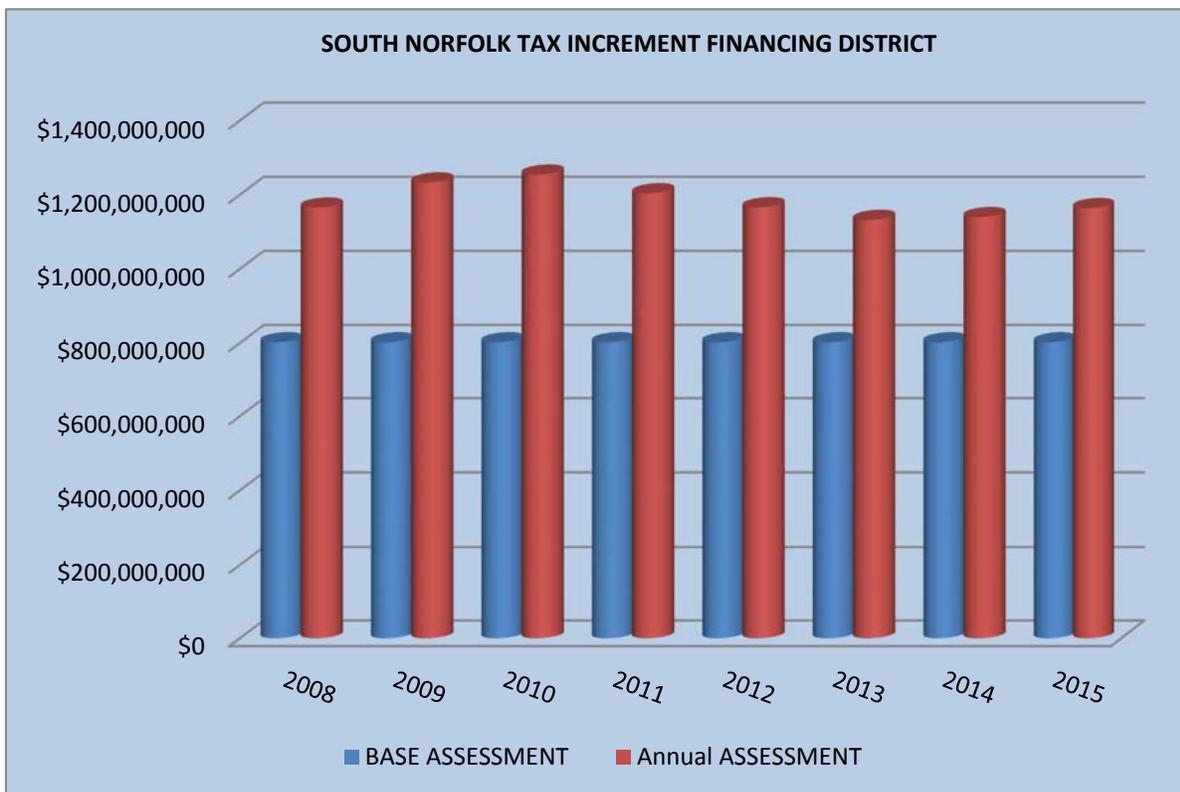
YEAR	BASE ASSESSMENT	ANNUAL ASSESSMENT
2007	\$943,094,600	\$1,174,123,648
2008	\$943,094,600	\$1,296,466,553
2009	\$943,094,600	\$1,399,126,677
2010	\$943,094,600	\$1,469,120,461
2011	\$943,094,600	\$1,406,917,938
2012	\$943,094,600	\$1,346,758,374
2013	\$943,094,600	\$1,350,197,443
2014	\$943,094,600	\$1,398,608,671
2015	\$943,094,600	\$1,447,695,627
*2016	\$943,094,600	\$1,472,414,303



*Represents 2015/2016 Landbook Figures

TAX INCREMENT FINANCING DISTRICT BY AREA
SOUTH NORFOLK TAX INCREMENT FINANCING DISTRICT

YEAR	BASE ASSESSMENT	ANNUAL ASSESSMENT
2008	\$802,225,600	\$1,165,678,600
2009	\$802,225,600	\$1,233,294,600
2010	\$802,225,600	\$1,254,554,000
2011	\$802,225,600	\$1,204,110,700
2012	\$802,225,600	\$1,166,417,100
2013	\$802,225,600	\$1,132,377,900
2014	\$802,225,600	\$1,139,882,900
2015	\$802,225,600	\$1,164,278,200
*2016	\$802,225,600	\$1,189,583,776



* Represents 2015/2016 Landbook Figures