

Office of the City Attorney  
306 Cedar Road  
Chesapeake, Virginia 23322  
(757) 382-6586  
Fax (757) 382-8749

April 6, 2016

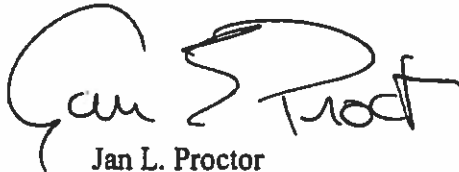
TO: Mayor Krasnoff, Vice Mayor de Triquet and Members of the City Council

Re: **PUBLIC HEARING**  
**EFFECTIVE TAX RATE INCREASE FOR THE**  
**2016-2017 OPERATING BUDGET**

The above-referenced matter will be considered at a public hearing held on April 12, 2016. You may recall that we have conducted similar hearings in past years. The procedure is required by state law when the annual assessment of real estate in the City would result in an increase of one percent or more in the total real property tax which is levied. This is known in law as an "effective tax rate increase." By letter to you from Acting Real Estate Assessor David Sanford, a copy of which is enclosed, it was noted that this year's assessments did increase by more than one percent. State law mandates that the "effective tax rate increase" public hearing be held at a different date from the operating budget public hearing. No action is required.

Please advise if you have any questions or concerns in this regard.

Very truly yours,



Jan L. Proctor  
City Attorney

JLP:hvm

Enclosure

cc: James E. Baker, City Manager

Office of the Real Estate Assessor  
306 Cedar Road 4th floor  
Chesapeake, Virginia 23322-5514  
Phone (757) 382-6235  
Fax (757) 382-6844

March 1, 2016

The Honorable Alan P. Krasnoff Mayor  
The Honorable John de Triquet Vice Mayor  
Honorable Members of City Council  
City of Chesapeake  
306 Cedar Road  
Chesapeake, Virginia 23322

Re: Annual Assessment of Real Estate

Dear Mayor Krasnoff and Council Members:

This is my annual report to you regarding the 2016-2017 annual assessment of real estate in Chesapeake.

The salient facts and conclusions used in producing this report provide that the 2016-2017 annual assessment in real estate has resulted in an increase of 1.50% in adjusted assessed value over July 1, 2015 total assessed value based on an unchanged current tax rate of \$1.04 per \$100.00 valuation. As a result of this increase, a published notice and public hearing is required by law. Virginia Code Section 58.1-3321 requires a published notice and public hearing only when the annual assessment results in an increase of one percent or more.

**Assessment Increase: 1.50%**

Total assessed value of real property, excluding additional assessments due to new construction or improvements to property, exceed last year's total assessed value.

Decreased Rate Necessary to Offset Increased  
Assessments: \$1.025 per \$100 of assessed value

The tax rate which would levy the same amount of real estate tax as last year, when multiplied by the new total assessed value of real estate with the exclusions mentioned above.

**Effective Rate Increase:**

The difference between the lowered tax rate necessary to offset increased assessments and the proposed tax rate is known as the "effective tax rate increase."

|   |                                     |
|---|-------------------------------------|
| Lowered rate necessary to offset increased assessments: | \$1.025 per \$100 of assessed value |
| Proposed tax rate:                                      | \$1.040 per \$100 of assessed value |
| Effective tax rate increase:                            | \$0.015 per \$100 of assessed value |
| Effective tax rate increase percentage:                 | 1.48%                               |

As required by law, all tax rate calculations exclude special levies such as mosquito control.

If you desire any further information, please do not hesitate to contact me.

Sincerely,

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

DBS/ds

**Attachments**

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

**REAL ESTATE RECAPITULATION - JANUARY 1, 2015**

|   |           |                               |
|---|-----------|-------------------------------|
| <b>January 1, 2016 Total Taxable Assessed Value:</b>  | <b>\$</b> | <b>24,085,073,508</b>         |
| <b>Allowable Adjustments (Construction, Land<br/>Development and Rezoning):</b>                                       | <b>\$</b> | <b>(-) <u>226,363,400</u></b> |
| <b>January 1, 2016 Adjusted Taxable Assessed<br/>Value:</b>   | <b>\$</b> | <b>23,858,710,108</b>         |
| <b>July 1, 2015 Taxable <i>Land Book</i> Assessed Value:</b>  | <b>\$</b> | <b>23,507,035,803</b>         |
| <b>January 1, 2016 Adjusted Assessed Value Increase<br/>over July 1, 2014 <i>Land Book</i>:</b>                       | <b>\$</b> | <b>352,687,080</b>            |
| <b>January 1, 2016 Percentage Increase in<br/>Adjusted Assessed Value over July 1, 2015<br/>Total Assessed Value:</b> |           | <b>1.50%</b>                  |
| <b>Current Tax Rate:</b>  | <b>\$</b> | <b>1.040</b>                  |
| <b>Lowered Rate Necessary to Offset Increased<br/>Assessment:</b>   | <b>\$</b> | <b>0.015</b>                  |
| <b>Effective Rate Increase:</b>   |           | <b>1.50%</b>                  |