

Spring 2009



MONTEREY COMMERCIAL PROPERTY OWNERS ASSOCIATION

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M · C · P · O · A

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Getting to Know Our President, Kathy Anderson

Board Member Name: Kathy Anderson

Board Member Position: President



What do you see as your role in this position? My vision is to widen the visibility of MCPOA and to grow our membership. By increasing our presence in the community, we will continue to develop our strong organization and advance our influence on issues important to MCPOA members. I am involved with Monterey County Association of Realtors (MCAR) on their Local Government Relations group. I believe my involvement there will directly benefit my role in MCPOA, as the LGR keeps me informed and aware of local government policy issues and developments that affect the Monterey Peninsula.

What are your goals as the MCPOA President this year? My top priorities this year are to increase our exposure with marketing and outreach activities, and to stay on top of issues that may affect commercial property rights, such as water regulations and city ordinances.

Tell us about you and your business. I do Business Development for Chicago Title in Carmel, and have been in the Title and Escrow business for nearly thirty years. I am very well versed in commercial (and residential) transactions, and focus on commercial growth and development for local municipalities. As a Monterey native, I understand the strength of the community around us, and have made it a high priority to cultivate strong and lasting relationships with my customers. This has enabled me to enjoy continued success in my industry and create satisfied clients all along the way.

MCPOA Calendar

July 4th	Donut Brigade ~ Monterey Post Office, Hartnell Street
September	Golf Tournament
December	Holiday Party

Celebrating Our 20th Anniversary
1989 ~ 2009

Message from County Assessor

On Tuesday morning, April 14, 2009, MCPOA members and guests gathered at the Monterey Conference Center to listen to Steve Vagnini, the Monterey County Assessor.

Mr. Vagnini spoke about the current conditions and budget situation on the Monterey Peninsula and how the Assessor's Office is involved. For 2008, the Assessor's Office revalued over 15,000 residential properties in response to the downturn in property values, and he assured the audience that more was in store for the current year. Mr. Vagnini is working with property owners to deal with the fluctuations in property values and stressed that he wants to be a resource for property owners. He takes a proactive approach in managing property assessments throughout the county, which is shown by the rarity of appeals they receive for property assessments.

Highlights of his talk are listed in the shaded box. If you would like to get in touch with Steve Vagnini, call him at (831) 755-5035 or e-mail him at vagninis@co.monterey.ca.us.

- Since 1978, tax laws are guided by Prop. 13.
- Change of ownership or new construction typically means reassessment.
- Prop. 8 states when property goes down in value, tax rates are reduced.
- The tax assessment in 1999 was \$27.4 billion in Monterey County. In 2008, it was \$51.8 billion, representing an 89% growth. The growth is primarily due to residential property sales. Mortgage Companies made it easier to purchase homes, which in turn drove up costs.
- This all changed a couple of years ago when ARM's came due and foreclosures began. Soon after, there was a sharp decline in property values.
- For 2008, growth of 5% was projected, then 4%, then 3%. At some point last year, the market collapsed.
- Lowered values on 15,000 properties, an average amount of \$150,000.
- Despite the sharp decline in property values, the total Monterey County tax assessment grew last year 2¼ %. 2009 Tax assessment is being worked on currently. All properties will be reviewed; however, all properties will not be reassessed. Early projection for 2009-tax assessment is -5%.
- Alt A, adjustable mortgages are about to come due for increase. A new round of foreclosures is expected.
- The department is so overwhelmed with residential properties; commercial properties cannot be reviewed with the same level of pro-activeness.
- If the tax assessor's office does not offer to re-assess, you can complete a form requesting reassessment.
- The department uses 3 ways to assess: Sales comparisons, Cost Approach, and income approach (main way for commercial properties due to kind of rents and vacancy rates).
- There is no cost for reassessment. The goal is to have all properties assessed fairly. Chances are if you have owned property for a long period of time, you are not being over assessed.
- Tax roll is to be closed at end of June. The department asked for a one-month extension as it does every year. Most years, they close the end of June regardless.
- If a property is not reassessed by the end of June, there is still a 2 - 3 month period where you can request a reassessment. If reassessment request is denied, an assessment repeal can be requested.
- The filing period for assessment repeal is July 2nd through November 30th. There has been a low turn out most years.
- Legislators are considering a split role. Commercial property would be assessed differently perhaps every 2 years. County assessor's office is opposed to this split role. There is not enough staffing and it is more difficult to assess commercial property.
- County is working on developing a balanced budget. An accurate total tax assessment is critical to this process.
- During the previous 5 years, \$80 million has been given to Natividad. This has finally stabilized.
- Best projection at this point is a \$53 million deficit in budget for next year. A \$60 million deficit is projected for following year.
- Tax revenues are going down while expenses (salaries/benefits) are going up.
- Items that must be considered in order to obtain a balanced budget: Union concession and Elimination of programs.
- All departments have been asked to prepare budgets with 20-25% reductions.
- If unions do not make concessions, major layoffs are likely.
- Ag properties are doing OK. Most are protected by Williamson Act.
- Commercial property income levels are in decline.
- Foreclosures are assessed as a transfer - not using trustees deed. Resale value is more important than value of foreclosure.
- Q: "What is the return time?" A: "It depends upon volume."
- Tax assessments will be retroactive if higher tax base is assessed and then reduced based upon reviews or appeal.
- Vacancies are assessed based upon market rate of pay.
- Information submitted in review process is considered confidential.
- The appeal process, however, may become public record.
- Assessment cannot be raised while under review process. (Base is protected under Prop. 13).
- Residential forms are on the county's website.
- Stephen will post commercial form on website.

MCPOA Donates to San Carlos Restoration

San Carlos Borromeo de Monterey was founded by Father Junipero Serra on June 3, 1770, on the shores of Monterey Bay.

The present sandstone church was completed in 1794. The significance of San Carlos Borromeo de Monterey cannot be overstated. It is the oldest continuously functioning church and the first stone building in the State of California.

The exquisite Spanish Colonial style, the masterful stone façade and the Moorish influence makes the Royal Presidio Chapel a true jewel of architecture unmatched by any missions. The beautiful portals carved in sandstone with a fine molding and ornamental arches are also unique.

San Carlos is one of California's exceptional historic monuments.

This National Historic Landmark and cornerstone of Monterey is adjacent to

Lake El Estero and within walking distance of Fisherman's Wharf.



San Carlos Cathedral "The Royal Presidio Chapel"

March 12, 2009

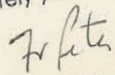
Bob Massaro, Executive Director
Monterey Commercial Property Owners Association
P.O. Box 1953
Monterey, CA 93942

Dear Bob,

On behalf of San Carlos Cathedral Parish, I want to thank the Monterey Commercial Property Owners Association for the very generous gift of \$1500 to the **Cornerstone Campaign**.

May you be blessed for your commitment to San Carlos and to our exciting and very necessary conservation and restoration project. Be assured of my continuing gratitude for your wonderful support. As you know, with the exception of the facade, the actual construction work has been completed. However, much remains to be done in order to completely fund it. May God continue to guide and inspire us as we seek to reach our total goal of over \$7 million. As always, please keep this noble endeavor in your prayers.

Sincerely yours in Christ,


Fr. Peter A. Crivello
Pastor

San Carlos Cathedral Parish did not provide any goods or services in whole or part consideration other than intangible religious benefits for the above contribution.

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Out of the Green and Into the Black

No term in recent memory has been so quickly over-exposed as “green”. It seems that everyone is eager to wave the green flag and jump on the green wagon. Surely this has proven to provide a significant marketing advantage for many, just as it has become increasingly confusing for consumers. Similar developments in the past have included: “Organic” – now rejected completely by the California Seafood Council due to a lack of acceptable guidelines and “Reserve” – which has become so watered down as a wine descriptor, that it has become virtually meaningless. Ideally, “green” should represent a more enlightened approach to solving problems, utilizing more earth-friendly processes and conserving increasingly scarce resources.

Whole industries, cities (Monterey is a leader) and even the State of California, are working feverishly to put together guidelines and ordinances in an effort to be greener. There are now superior alternatives, such as Indoor Environmental Pasteurization, to the standard practices of treating issues such as pest control, mold remediation and structural drying. Better yet, these alternative methods also result in a marked and measurable improvement to the indoor environment as no chemicals are employed. As for businesses catching on, much like with recycling, an economical advantage will always inspire a move in the direction of a cleaner planet. Restaurant owners learned long ago, for example, that by keeping recyclable materials out of their garbage, they could eliminate trash pick-ups and lower their garbage bills.

The plan then is to make more green through going green and, in the process, make others green with envy.

Article written by Kevin Phillips
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Join a MCPOA Committee

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Golf Tournament Committee

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Holiday Party

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