

Summary of Company Buyouts/Mergers that Escaped Reassessment

Summary Chart

Acquired Company	Purchaser(s)	Year	Property Summary and Assessment Range	Notes
Martini Vineyards	E&J Gallo	2001	8 properties in Napa and Sonoma Counties, 1,300 acres not reassessed, Taxed at \$1.87/acre to \$724/acre	Transaction structured to avoid reassessment
Toys “R” Us and Babies “R” Us and Affiliates	Four Affiliates: Bain Capital, Kohlberg Kravis, Roberts&Co., Vornado Realty Trust	2005	Properties located in major counties including Los Angeles, San Bernardino, San Diego, Ventura, Orange, Stanislaus counties not reassessed, taxed at \$0.003/sq. ft. to \$0.48/sq. ft.	Some have been reassessed but many have not.
Burger King	Three Private Equity Firms: Goldman Sachs, Bain Capital, TPG Capital	2002	92% of Burger Kings are owned by Franchisees. Several locations in San Diego not reassessed, taxed at \$0.27 to \$0.35/sq. ft.	Many have been reassessed others have not, additional research needed
Long’s Drug Stores	CVS Caremark Corp.	2008	50 plus properties across the state in most major counties not reassessed, \$0.05/sq. ft. to \$0.36/sq. ft.	None of the Long’s Drugs examined have been reassessed
Washington Mutual	JP Morgan Chase Manhattan	2008	100 plus properties across the state in nearly all major counties not reassessed, taxed at \$0.001/sq. ft. to \$3.48/sq. ft.	Very few of WaMu’s assets have been reassessed.
Wachovia Corp.	Wells Fargo	2008	Properties in Sacramento and Riverside County have not been reassessed, taxed at \$0.15/sq. ft. to \$0.28/sq. ft.	A number of Wachovia’s have been reassessed, some have not.
Pennzoil Quaker State Co. (owns Jiffy Lube Service Stations)	Shell Oil Company	2002	Properties in Santa Clara, San Francisco, Ventura, Contra Costa, Sacramento, and Alameda County not reassessed, taxed at \$0.11 to \$2.22/sq. ft.	Very few of the Jiffy Lube properties have been reassessed.
Guitar Center	Bain Capital	2007	Property in Sacramento County not reassessed, taxed at \$0.17/sq. ft.	Some have been reassessed.
Smart and Final	Affiliate of Apollo Management	2007	Property in Riverside and Sacramento County not reassessed, taxed at \$0.12/sq. ft. to \$0.16/sq. ft.	A lot of property owned by franchisees not reassessed.

Club Corp.	KSL Capital LLC.	2006	Property in most major counties including Contra Costa, San Bernardino, San Diego, Los Angeles, Riverside, Sacramento, and Orange counties not reassessed, taxed \$0.001 to \$0.04/sq. ft.	None of these properties appear to have been reassessed
Univision Communications	Five private equity firms: Saban Group, Madison Dearborn Partners, Providence Equity Partners, TPG, and Thomas H. Lee Partners	2007	Properties located in Sacramento and San Diego Counties not reassessed. Sacramento studio taxed at \$0.21/sq. ft.	Some properties reassessed.
SunGard	Seven Private Equity Firms: Goldman Sachs Capital Partners, Silver Lake Partners, Bain Capital, TPG Capital, Kohlberg Kravis Roberts, Providence Equity Partners, Blackstone Group	2005	Properties in Alameda and Orange County not reassessed, taxed at \$0.16 to \$0.17/sq. ft.	
Burlington Coat Factory	Bain Capital	2006	Properties in Ventura and San Diego counties not reassessed, taxed at \$0.12/sq. ft.	
Albertson's	Save Mart	2006	Properties in Sacramento County not reassessed.	
Hilton Hotels	Blackstone Group (private-equity firm)	2007	Properties all across the state not reassessed, taxed at \$0.12/sq. ft. to \$2.16/sq. ft. of land.	Some properties reassessed, some not reassessed. Many properties are not held by Hilton.
Mammoth Mountain Ski Resort	Intrawest Corporation	1997	Intrawest acquired 51.48% of ownership shares but the property was not reassessed due to legal ambiguity in law	Property reassessed in 2005 when property resold.

Sources: Dataquick, County Assessor's Offices

E & J Gallo Buys Martini Vineyards Without Triggering Reassessment (2001): The Napa County Assessor's Office reports one transaction that took place in Napa County in 2001 where approximately 12 shareholders of E & J Gallo Winery acquired the shares owned by approximately 20 shareholders of the Martini Winery, with the name changing and the deed changing, but since no shareholder bought over 50% no reassessment took place. A closer look at this case study reveals that E & J Gallo appeared to deliberately structure this change in ownership to avoid property tax reassessment. It was widely reported in the media that E & J Gallo purchased the Louis M. Martini in St. Helena in a deal made final on September 9, 2002.

The deal was reported to include the purchase of 984 acres of vineyards and business property in Napa County as well as vineyards in Sonoma County. In preparation for the

sale, Martini consolidated its land holdings into one company called G3 Properties Inc in 2002, according to documents filed with the Sonoma and Napa County Assessors' Offices. On January 23, 2003, E & J Gallo formed G3 Enterprises. A document filed with the Napa County Assessor's Office on October 10, 2002 states that G3 Properties Inc., formerly known as Louis M. Martini grants to the E & J Winery the fixtures and structures but not the land upon which the fixtures are located for more than 900 acres of property in Napa County.

On December 30, 2005, G3 Properties, Inc., the Martini-owned corporation, merged with G3 Enterprises Inc., the Gallo controlled corporation, and became G3 Enterprises Inc. Napa County Assessor Office records show that G3 Properties and the Martini family owned at least 5 separate parcels which span 691 acres of property, primarily vineyards, in Napa County that transferred to the Gallo-controlled G3 Enterprises, as a result of the merger. Market value of the property is estimated to be between \$60,000 and \$80,000 an acre, however, according to the Napa County Assessor's Office the property has not been reassessed in a very long time. Several of the parcels of land are assessed as low as \$180 to \$420 per acre. If the property were assessed at market value, Gallo would owe an estimated \$500 per acre in property taxes—an amount which is greater than the amount the property is assessed at per acre—or less than 1/100th of the amount of property taxes that they should be paying.

The deal also included the transfer of the 576-acre Monte Rosso Vineyard in Sonoma County, a vineyard listed as formerly being owned by the Martini Family. According to the Sonoma County Assessor's Office, Gallo Vineyards Inc. purchased the property in 2003 and then transferred the property to G3 Enterprises Inc. in 2007. The Sonoma County Assessor's office reports that the 576-acre parcel still has a 1975 base year despite the transfer. That property appears to be vastly underassessed. The property is currently assessed at \$1,325/square acre, while market value of Sonoma vineyards are valued at more than \$30,000/ square acre.

Bain Capital and Affiliates Buys Toys “R” Us But Several California Properties Not Reassessed (2005): Toys “R” Us, Inc. operated as a public company from 1978 until July 2005, when an investment group consisting of affiliates of affiliates of Bain Capital Partners LLC, Kohlberg Kravis, Roberts & Co. (KKR), and Vornado Realty Trust (NYSE: VNO) completed an acquisition of Toys“R”Us, Inc. for \$6.6 billion. The acquisition encompassed all worldwide operations of Toys“R”Us, Inc., including the Toys“R”Us and Babies“R”Us businesses. With the completion of this transaction, each of the investors owns an equal stake in Toys“R”Us, Inc, according to the Toys “R” Us website. Several California properties have not been reassessed as a result of the 2005 transaction but other properties have been reassessed.

Property Summary:

► In Orange County, a Toys “R” Us (25362 El Paseo, Mission Viejo) is owned by Giraffe Properties LLC (a Toys “R” Us subsidiary) was reassessed in 2005 (Note: lot sq. ft. unavailable online), according to the Orange County Assessor’s Office.

► A Babies “R” Us in San Diego County (1990 University Dr. Vista) is also owned by Giraffe Properties LLC but was last reassessed at market value in 2000, according to the San Diego County Assessor’s Office. The property is taxed at \$0.18/sq. ft of land.

► In San Bernardino County, two Toys “R” Us properties which are owned by “Toys “R” Us Delaware Inc., were not reassessed as a result of the 2005 buyout. A company warehouse located at 1110 W Merrill Ave, Rialto was last reassessed at market value in 1997. An adjacent property with the same owner was last reassessed at market value in 1992, according to the San Bernardino County Assessor’s Office. Both properties are significantly underassessed--the first property is taxed at \$0.03/sq. ft of land and the second property is taxed at \$0.003/sq. ft. of land (Note: not a typo, 3/10 of a cent).

► Two Toys “R” Us properties in Stanislaus County (2700 and 3500 Sisk Road, Modesto) were also listed as last transferring ownership in 1999 and are taxed at \$0.10/sq. ft of land. Both properties are owned by Giraffe Properties LLC, according to Dataquick.

► In Ventura County, a Babies “R” Us (2340 Lockwood Street, Oxnard) was last reassessed in 1997 and is owned by Giraffe Properties LLC, according to the Ventura County Assessor’s Office. The property is taxed at \$0.11/sq. ft. of land. Another Ventura Toys “R” Us was last reassessed in 1986. This property is owned by 2005 RE I LLC Trust and is assessed at \$0.19/sq. ft. It is not known if this property owner is a Toys “R” Us subsidiary or not.

► A Toys “R” Us in Los Angeles County (7100 Eastern Ave., Bell Gardens) was reassessed in 2006. The property is owned by Giraffe Properties LLC and is taxed at \$0.44/ sq. ft of land.

Goldman Sachs, Bain Capital, and TPG Capital Acquire Burger King in 2002 But Several California Properties Have Not Been Reassessed (2002):

Goldman Sachs, Bain Capital, and TPG Capital agreed on a high profile \$1.5 billion leverage buyout of Burger King from Diageo in December 2002. The consortium had support from Burger King’s franchisees who controlled approximately 92% of Burger King restaurants at the time of the transaction. In February 2006, Burger King announced plans for an initial public offering. Several Burger King properties based in California have not been reassessed as a result of the transaction.

Property Summary:

► In San Diego County, none of the Burger King locations examined in this study have been reassessed based on the 2002 sale, according to the San Diego County Assessor’s Office. All four of the properties listed below are owned by Burger King Corporation and are not listed as being owned by franchisees, according to Dataquick. A Burger King located at 815 Highland Ave. in National City was last reassessed in 1985 and is currently taxed at \$0.35/sq. ft. of land. A Burger King located at 728 W San Marcos Blvd. in San Marcos was last reassessed in 1985 and is taxed at \$0.29/sq. ft. of land. A

Burger King located at 377 Vista Village Dr. in Vista was last reassessed in 2000 and is taxed at \$0.28/sq. ft. of land. A Burger King located at 822 N Johnson Ave. in El Cajon was last reassessed at market value in 2001 and is taxed at \$0.27/sq. ft. of land.

► In Los Angeles County, several Burger King locations were reassessed in 2003, presumably due to the 2002 sale. These include Burger King locations at 127 Avalon Blvd., Los Angeles, 1925 Pico Blvd., Santa Monica, and 1439 W Manchester Avenue, Los Angeles. The properties are owned by Burger King Corp.

CVS Caremark Corp. Buys Long's Drug Stores But Dozens of California

Properties Escape Reassessment (2008): On August 12, 2008, Long's Drugs announced that they were being acquired by CVS Caremark Corp., the operator of the national CVS/pharmacy chain of drugstores. The \$2.7 billion deal gave CVS 521 Long's locations to expand its presence on the West Coast, primarily in California. Several dozen properties still listed as being owned by Longs Drugs Inc. have not been reassessed at market value. This study has not found a single Long's Drugs that appears to have been reassessed based on the 2008 sale. For more on this buyout [click here](#).

Property Summary:

► In Los Angeles County, four Long's Drug store properties were last reassessed at market value in 1975 and are vastly underassessed, according to the Los Angeles County Assessor's Office. All four properties are owned by Longs Drug Stores Inc. A located at 727 S Glendora Ave. in West Covina is taxed at \$0.07/sq. ft. Another location near the corner of Silver Spur and Deep Valley in Rolling Hills is assessed at \$0.08/sq. ft. of land. An adjacent property at 901 Silver Spur Road in Rolling Hills is also assessed at \$0.08/sq. ft. The fourth location located at 18441 Ventura Blvd. in Tarzana is also assessed at \$0.08/sq. ft. of land.

► In Alameda County, at least five Long's Drug Store Properties have not been reassessed as a result of the 2008 buyout and are at very early base year values, according to the Alameda County Assessor's Office. All five properties are owned by Longs Drug Stores Inc., according to Dataquick. A location at 699 Lewelling Blvd. in San Leandro has a 1984 base year value and is taxed at \$0.22/sq. ft. of land. A Long's Drug property at 3320 Fruitvale Ave. in Oakland has a 1975 base year value and is assessed at \$0.11/sq. ft. of land. Another property at 2314 Santa Clara Ave. in Alameda has a 1984 base year value and is taxed at \$0.33/sq. ft. of land.

► In Ventura County, at least two Longs Drug store properties have not been reassessed and are at base year values that are from the 1980s, according to the Ventura County Assessor's Office. Both properties are owned by Longs Drug Stores Inc. These include a property at 1822 E Avendia De Los Arboles in Thousand Oaks which has a 1985 base year and is taxed at \$0.17/sq. ft. of land and a property at 2120 Newbury Road in Thousand Oaks that is also taxed at \$0.17/sq. ft. of land.

► Several Long's Drug properties in Contra Cost County have not been reassessed and are at 1975 base year values, according to the Contra Costa County Assessor's Office. A property in Walnut Creek at 1123 S California Blvd. in Walnut Creek is listed as last

transferring ownership in 1967 and is taxed at \$0.12/sq. ft. A Danville property (650 San Ramon Valley Blvd.) is listed as last transferring in 1973.

JP Morgan Chase Buys Washington Mutual But No Reassessment Has Taken Place

(2008): In 2008, JP Morgan Chase Manhattan merged with Washington Mutual Bank (WaMu) in a reported \$1.9 billion buyout of the company ([link to article click here](#)). By adding Washington JP Morgan Chase added a strong west coast presence by adding some 2,200 WaMu locations, including hundreds of locations in California. A review of WaMu properties has found that very few of these properties have been reassessed to date.

Property Summary:

- ▶ More than 100 former Washington Mutual properties in most major counties in the state have yet to be reassessed as a result of this merger.
- ▶ In San Francisco city and county, the Assessor's Office reports that none of the Washington Mutual locations have been reassessed based on the 2008 change in ownership.
- ▶ In Alameda County, a Chase Bank located at 5800 Stoneridge Mall in Pleasanton was last reassessed in 1996, according to the Alameda County Assessor's Office. The property is owned by American Savings Bank (a WaMu asset) and is taxed at \$0.20/sq. ft. of land. Another location at 39395 Paseo Padre Parkway in Fremont was last reassessed in 1997 and is taxed at \$0.25/sq. ft. of land.
- ▶ In Riverside County, a Chase Bank located at 499 Palm Canyon in Palm Springs was last reassessed in 1983, according to the Riverside County Assessor's Office. The property is owned by the Federal Savings and Loan Association (tax rate not available). Another Chase Bank located at 1118 W Ramsey Street in Banning was last reassessed at market value in 1989, according to the Riverside County Assessor's Office. This property is owned by American Savings Bank and is taxed at \$0.41/sq. ft. It was not reassessed at market value in 1996 when Washington Mutual bought American Savings Bank in 1996.
- ▶ In Los Angeles County, a Chase Bank at 6300 Van Nuys Blvd in Los Angeles was last reassessed at market value in 1997 and is assessed at \$0.18/sq. ft, according to the Los Angeles County Assessor's Office. The property owner is American Savings Bank, according to Dataquick.
- ▶ In Orange County, a Chase Bank located at 1455 Baker Street in Costa Mesa was last reassessed in 1998, according to the Orange County Assessor's Office. The property is owned by Home Savings of America and is taxed at \$3.48/sq. ft.
- ▶ In Santa Clara County, at least two Chase Banks have been reassessed at market value based on the 2008 transaction, according to the Santa Clara County Assessor's Office. These properties include a location at 2791 Story Road in San Jose that is taxed at \$0.45/sq. ft and a location at 192 Los Gatos Saratoga Road in Los Gatos. That is taxed at \$0.66/sq. ft. of land. Both locations are listed as being owned by JP Morgan Chase. However, a third property located at 5220 Prospect Road in San Jose was last reassessed in 1982 and is taxed at \$0.20/sq. ft. of land. The property is owned by Great Western Savings and Loan which was acquired by Washington Mutual in 1997. The property escaped

reassessment both in 1997 and in 2008, according to the Santa Clara County Assessor's Office.

Wells Fargo Buys Wachovia Corp. But No Reassessment Has Taken Place (2008): In December 2008, Wells Fargo & Company purchased Wachovia Corp. for a reported \$15.1 billion in an all-stock deal ([link to article click here](#)), but some of Wachovia's California assets have been reassessed to date.

Property Summary:

- ▶ Some counties including San Bernardino, Alameda, and Orange County have reassessed some Wachovia Bank locations.
- ▶ In Sacramento County, a Wachovia Bank at 1510 Arden Way is listed as last transferring in 1980 and is taxed at \$0.21/sq. ft. while another location at 11201 Gold Express Dr. is listed as transferring in 1995 and is taxed at \$0.15/sq. ft.
- ▶ In Riverside County, Wachovia Development Corp. owns a property at 3404 Indian Ave. in Perris that has not been reassessed at market value since 2003, according to the Riverside County Assessor's Office. The property is taxed at \$0.28 sq. ft. of land. Another property owned by World Savings Bank, a Wachovia asset, was last reassessed in 2006 but is slated to be reassessed based on the 2008 sale, according to the Riverside County Assessor's Office.

Shell Oil Co. Merges With Pennzoil Quaker State Co., Owner of Jiffy Lube Service Stations But Several Jiffy Lube Stations Have Not Been Reassessed (2002): In 2002, Shell Oil Co. acquired Pennzoil Quaker State Co., owner of Jiffy Lube, in a \$1.8 billion merger. Pennzoil would become a wholly owned subsidiary of Shell Oil Co. Several Jiffy Lube service stations in Sacramento, Santa Clara, Alameda, and San Francisco Counties have not been reassessed to date. Many Jiffy Lube locations appear to be owned by franchisees but a number of the stations which have not been reassessed are owned by the corporate parent. For more information on this merger [click here](#).

Property Summary:

- ▶ Despite changing hands in 2002, the Santa Clara County Assessor's office reports that they were just recently informed of the Jiffy Lube sale and are taking steps to reassess Jiffy Lube properties in the county. A Jiffy Lube property owned by Jiffy Lube International that is located at 701 1st Street in Gilroy was last assessed at market value prior to 1999. In 1999, the parcel was created but the property was not reassessed at that time because the value was derived from a previous parcel sale, according to the Santa Clara County Assessor's Office. The property is taxed at \$1.47/sq. ft. of land.
- ▶ In San Francisco County, two properties owned by Jiffy Lube International of MA located at 6099 Geary Blvd. have not been reassessed since 1984 and 1996, according to the San Francisco Assessor's Office. Once property is assessed at \$1.56/ sq. ft. of land (1984 base year) and the other is assessed at \$2.22/sq. ft. of land—far below market value. When reported to the Assessor's office, they did not know why these properties had not been reassessed and asked for additional information.

- ▶ In Ventura County, a station owned by Jiffy Lube International located at 4426 E Los Angeles Avenue was last reassessed in 2005, three years after the change in ownership, according to the Ventura County Assessor's office.
- ▶ In Contra Cost County, a station owned by Jiffy Lube International located at 2099 Camino Ramon in San Ramon is listed as last changing hands in 1995 and is taxed at \$0.29/sq. ft., according to the Contra Costa County Assessor's Office.
- ▶ In Sacramento County, Jiffy Lube International of Maryland owns a station located at 4841 Sunrise Blvd. which appears to have not been reassessed. The property is assessed at \$0.11/sq. ft. of land.
- ▶ In Alameda County, a property owned by Jackson Amador Associates located at 153 W Jackson Street in Hayward was last reassessed in 1995 and is taxed at \$0.26/sq. ft. of land, according to the Alameda County Assessor's Office.

Bain Capital Acquires Guitar Center, But Some Property Not Reassessed (2007): In 2007, Guitar Center Management Company Inc., was acquired by Bain Capital, one of the world's leading private investment management firms (manages \$60 billion in assets). Most Guitar Centers appear to reside at leased locations. For more information about the acquisition of Guitar Center Management Company Inc., by Bain Capital Group [click here](#).

Property Summary:

- ▶ In Sacramento County, a Guitar Center located located at 1745 Alta Arden Express Way in Sacramento has not been reassessed since 1994, according to the Sacramento County Assessor's Office. Assessor records show that on March 7, 1995 the property was deeded by four individuals to a limited partnership called ARHO LP, which is listed as the current owner of the property. The property is taxed at \$0.17/sq. ft.
- ▶ In Los Angeles County, a property owned by Guitar Center Management located at 7425 W Sunset Blvd. in Los Angeles was reassessed in 2007, according to the Los Angeles County Assessor's Office.

Affiliate of Apollo Management Acquires Smart and Final Stores But Several Properrrties Not Reassessed (2007): In 2007, an affiliate of Apollo Management, a major private equity firm, acquired Smart and Final for \$813.9 million. The Apollo affiliate also entered into a stock purchase agreement with Paris-based Casino Guichard-Perrachon, S.A. which owned roughly 55% of Smart & Final's common stock. Many Smart and Final stores are franchises but several California locations are owned by Smart and Final Inc. or its affiliates. For more information on this acquisition [click here](#).

Property Summary:

- ▶ In Riverside County, a Smart and Final property owned by Smart and Final Inc. located at 4039 Tyler Street in Riverside has not been reassessed since 1999, according to the Riverside County Assessor's Office. The property is taxed at \$0.12/sq. ft. of land.
- ▶ In Sacramento County, two Smart and Final locations in Sacramento (6340 Stockton Blvd. and 4820 Madison Ave.) are listed as being taxed at \$0.16/sq. ft. and \$0.17/sq. ft. No transfer dates were listed in the system for these properties, but the properties appear

to be undervalued because they are taxed at \$0.16/sq. ft. and \$0.17/sq. ft. of land. Both properties are owned by Smart/Final Properties I LLC which appears to be a Smart and Final affiliate.

KSL Capital LLC Buys ClubCorp. But Several California-Based Golf Courses Not

Reassessed (2006): ClubCorp. Inc., a Dallas company that is the golfing industry's largest owner of private clubs, was bought out by a Colorado-based private equity firm KSL Capital LLC in 2006 for \$1.5 billion. Several golf courses located in California have not been reassessed for a number of years. The properties are all listed as being owned and operated by Club Corp. on the company's website. The properties are owned by holding companies that all list the same Club Corp. Scottsdale, Arizona PO BOX as the property mailing address. (Note: Golf courses are assessed at a lower value than other commercial property but these properties are still vastly underassessed) For article [click here](#).

Property Summary:

- Under the California law, golf courses are assessed at reduced values but at least 16 Club Corp. properties appear to have not been reassessed as a result of this buyout and are assessed at extremely low values.
- In Contra Costa County, a Club Corp. club called Crow Canyon Country Club has not been reassessed at market value since 1981, according to the Contra Costa County Assessor's Office. The property, which is located at 711 Silver Lake Drive in Danville, is taxed at \$0.04/sq. ft. of land.
- In San Bernardino County, a Club Corp. club called Spring Valley Country Club was reassessed for some new construction in 2000 but the underlying land has not been reassessed since prior to 1987, according to the San Bernardino County Assessor's Office. Assessor computer records only go back to 1987. The property, which is located at 13229 Spring Valley Parkway in Victorville is assessed at \$0.001/sq. ft. of land—vastly underassessed.
- In San Diego County, a Club Corp. club called Shadowridge Country Club has not been reassessed since 1995, according to the San Diego County Assessor's Office. The property is located at 1980 Gateway Drive in Vista and is taxed at \$0.02/sq. ft. of land.
- In Los Angeles County, a Club Corp. Club. called Braemar Country Club has a 1975 base year and is taxed at \$0.01/sq. ft. of land, according to the Los Angeles County Assessor's Office. The property is located at 4001 Reseda Blvd. in Tarzana.
- In Riverside County, three Club Corp. clubs have not been reassessed, according to the Riverside County Assessor's Office. Canyon Crest Country Club located at 975 Country Club Drive in Riverside has a 1975 base year and is taxed at \$0.02/sq. ft. of land. Desert Falls Country Club located at 1111 Desert Falls Parkway in Palm Desert has a 1993 base year and is taxed at \$0.04/sq. ft. of land. Indian Wells Country Club located at 46000 Club Drive in Indian Wells has a 1994 base year and is taxed at \$0.04/sq. ft.
- In Sacramento County, Teal Bend Golf Course located at 7200 Garden Highway is taxed at rates as low as \$0.001/sq. ft. and has not been reassessed at market value since the course was built in 1994, according to the Sacramento County Assessor's office.

► In Orange County, Coto De Caza Golf Club located at 25291 Vista Del Verde in Coto De Caza has a 1994 base year. The tax per sq. ft. of land was not available for this property.

Univision Communications Bought by a Group of Five Private Equity Firms But At Least Two Univision Properties Have Not Been Reassessed (2007): In 2007, Univision Communications Inc., was acquired by a group of five private equity firms including the Saban Group, Madison Dearborn Partners, Providence Equity Partners, Texas Pacific Group and Thomas H. Lee Partners. At least two California properties, both owned by Univision Communications Inc., were not reassessed at market value following Saban Group's acquisition of Univision Television Inc. in 2007. For more information about the acquisition of Univision Communications Inc., by the Saban Group [click here](#).

Property Summary:

► Univision's Sacramento Television studio (1710 Arden Way, Sacramento) is owned by Univision Television Group but was last reassessed at market value in 1994, according to the Sacramento County Assessor's Office. The property is taxed at a mere \$0.21/sq. ft of land.

► Univision's San Diego County studio (7110 Via Capri, La Jolla) is owned by Univision Communications and was last reassessed at market value in 2002, according to the San Diego County Assessor's Office. The square footage of the property was not available online.

► Univision's Los Angeles property (5999 Center Dr., Los Angeles) is owned by the Univision Television Group and was reassessed at market value in 2007. The property is taxed at \$2.20/sq. ft. of land.

Seven Private Equity Firms Buy SunGard Technology Company But Two California Properties Appear to Not Have Been Reassessed (2005): In 2005, a group of seven private equity firms bought SunGard, a leading software and IT company, in a transaction valued at \$11.3 billion. At least two California properties, one in Contra Costa County and one in Orange County, appear to have not been reassessed as a result of the buyout. The group of seven private equity firms includes Goldman Sachs Capital Partners, Silver Lake Partners, Bain Capital, TPG Capital, Kohlberg Kravis Roberts, Providence Equity Partners, and the Blackstone Group.

Property Summary:

► In Contra Costa County, a SunGard property owned by SunGard Recovery Services located at 2481 Deerwood Dr. in San Ramon was last reassessed at market value in 2001. The property is taxed at \$0.17/sq. ft. of land.

► In Orange County, at SunGard owned by SunGard Recovery Services located at 6803 International Ave. in Cypress also has a 2001 base year. The property is taxed at \$0.16/sq. ft of land.

Bain Capital Acquires Burlington Coat Factory But At Least Two California Properties Not Reassessed (2006): In 2006, Bain Capital investment group purchased

Burlington Coat Factory for \$2.1 Billion but one property in San Diego County and one in Ventura County have not been reassessed as a result of the buyout. Burlington Coat Factory sells coats and apparel at discounted prices in 44 states and has 394 stores nationwide. For more information on Bain Capital's acquisition of Burlington Coat Factory [click here](#).

Property Summary:

► In San Diego County, a Burlington Coat Factory property at 1617 Capalina Rd. in San Marcos has a 2000 base year and is taxed at \$0.12/sq. ft. of land, according to the San Diego County Assessor's Office. The property is owned by a holding entity called Burlington Coat Factory Warehouse of SD Inc. Rancho 76 Inc.

► In Ventura County, a Burlington Coat Factory property located at 4762 Telephone Rd. in Ventura has a 1999 base year and is taxed at \$0.12/sq. ft. of land, according to the Ventura County Assessor's Office. The property's listed owner is Burlington Coat Factory, Realty of Ventura Inc. DBA Burlington Coat Corp.

Save Mart Buys Albertson's Stores But Some Stores Have Not Been Reassessed

(2006): In 2006, Albertson's LLC Northern California stores were sold to Save Mart Supermarkets, a Modesto supermarket chain. Both Albertson's and Save Mart are privately held companies and did not reveal the terms of the deal. At least some of the stores appear to have not been reassessed.

Property Summary:

► Many of the Albertson's properties in Sacramento were reassessed upon a change in ownership but at least two of the stores in Sacramento County were not. For example, the Save Mart supermarket at 2501 Fair Oaks Blvd. (Loehmann's Plaza) in Sacramento has not been reassessed. The 108,464 square foot parcel at 2501 Fair Oaks Blvd. is still listed as being owned by Patitucci Investment Company (Albertson's Inc.) and has not been reassessed since the property was purchased on June 23, 1999. According to the California Secretary of State's Office, Patitucci Investment Company is owned by John W. Patitucci and Joseph A. Patitucci. The Save Mart supermarket located at 9137 Kiefer Blvd. also has not been reassessed. The 390,733 square foot parcel is still listed as being owned by Rosemont Plaza LP (Albertson's Inc.) and has not been reassessed since June 23, 1999. Rosemont Plaza LP is owned by an entity called 1996 Alcheck Family Trust.

Hilton Hotel Chain Bought by Blackstone Group But Dozens of California-based Hotels Not Reassessed (2007):

In October 2007, the Blackstone Group, one of the nation's largest private equity firms, acquired the Hilton Hotel chain in a public to private transaction but dozens of Hilton-owned hotels have not been reassessed to date in many of the state's major counties including Sacramento, San Francisco, Santa Clara, and Los Angeles. Hilton's family of hotels includes Waldorf Astoria, Doubletree, Embassy Suites, Hilton Garden Inn, Hampton Inn, etc. In nearly every case, the hotel properties appears to be owned by a third party. This transaction is documented on the Blackstone Group's website [here](#).

Property Summary:

► Some of the Hilton Hotels properties have been reassessed, others have not even in the same county. The Hilton San Jose (300 Almaden Blvd., San Jose) was last reassessed in 2007, according to the Santa Clara Assessor's Office. The property is owned by PCCP DCP West Hotel Partners LLC, according to Dataquick. The land is taxed at \$1.04/sq. ft. But the Hilton Santa Clara (4949 Great America Parkway, Santa Clara) was last reassessed at market value in 2004. The property, is owned by Lawrence LUI & Stanford Hotel and is leased by Ontario Airport Hotel Corporation, according to Dataquick. This property is taxed at \$0.64/sq. ft. of land. Four other Hilton Hotels in Santa Clara County, which appear to be owned by franchisees, were not reassessed and are base year values from the 1990s, according to the Santa Clara County Assessor's Office.

► At least six Hilton Hotels located in Los Angeles, which appear to be owned by franchisees, have also not been reassessed as a result of the 2007 buyout, according to the Los Angeles County Assessor's Office. For example, the Beverly Hilton (9876 Wilshire Blvd., Los Angeles) was last reassessed in 2004 and is taxed at \$2.16/sq. ft. of land. The property is owned by Oasis West Realty LLC, according to Dataquick.

51% of Mammoth Mountain Ski Area Sold To Intrawest Corporation But No Reassessment Occurred (1997). In 1997, a foreign company called Intrawest Corporation acquired 51.48% of the ownership shares in Mammoth Mountain Ski Area, a California Corporation. The Mono County Assessor moved to reassess the property but Intrawest argued that it owned 51% of the company but did not have a controlling interest because of how the company's bylaws were written. The Mono County Counsel then obtained an opinion from the State Board of Equalization which found that Intrawest had control on some decisions but not on the majority of decisions. The Mono County Assessor did not feel the BOE opinion was strong enough and decided not to reassess the property. The Mono County Counsel then asked the California Attorney General's office for an opinion but they declined, hinting that it probably would not be in their favor, thus it would be better to not issue an opinion. In 2005, Intrawest sold a majority interest in Mammoth Mountain Ski area to an entity controlled by Starwood Capital Group Global, L.L.C. (Starwood) for \$365 million. The property was subsequently reassessed. (Source: Mono County Counsel's Office)

Whole Foods buys Wild Oats But Los Angeles Property Escapes Reassessment (2007): In 2007, Whole Foods, the nation's largest organic and natural foods retailer purchased Wild Oats Grocery stores for \$565 million adding Wild Oats' 110 store. The Whole Foods located at 504 Wilshire Blvd. in Los Angeles, a former Wild Oats Grocery store was not reassessed at market value. The owner is Wild Oats Markets Inc/Lease ADM, according to the Los Angeles County Assessor's Office. The company is also listed as the owner of the adjoining Whole Foods parking lot. A neighboring property, similar in size, 530 Wilshire Blvd., has a property value of \$3,288,378 and an improvement value of \$8,790,097 while the Whole Food property has a land value of \$1,172,755 and an improvement value of \$729,201, according to the Los Angeles County Assessor's Office.

San Francisco Fisherman's Wharf Holiday Inn Sold But Not Reassessed (2008):

In 2008, according to the San Francisco Assessor's Office the Holiday Inn located at 1300 Columbus Avenue in Fisherman's Wharf was purchased by FJM Wharf Associates LLC. However, according to the San Francisco Assessor's Office the property has not been reassessed at market value. The property was last reassessed at market value in 1993. The property's land values for 2007 and 2008 are \$15,508,814 and \$15,818,990, respectively. A neighboring property across the street, Courtyard by Marriot which was last reassessed at market value in 2005 has a land value of \$29,442,154, despite having a much smaller lot 55,688 square feet compared to Holiday Inn's 81,060 square foot lot.

San Francisco Commercial Office Building Unreported Change of Ownership

(2005): A historic commercial office building located at 111 Sutter Street in San Francisco changed ownership on March 29, 2005 but no change of ownership was reported to the San Francisco County Assessor's Office. The Assessor's office was notified of the change of ownership by the State Board of Equalization, resulting in an increase of more than \$5 million in annual property taxes for the city and county San Francisco. (Source: SF Assessor's Office)

San Francisco Apartment Building Unreported Change of Ownership (2006): In 2006, the Assessor-Recorder's Office received an anonymous tip that a publicly traded Real Estate Investment Trust (REIT), named Essex Property Trust, acquired an apartment building located at 480 Warrant Drive did not report a change of ownership as required by state law. In 1999, the company had purchased a minority interest in the partnership that owned the building, an occurrence that did not trigger a reassessment. But in 2001 the company acquired a majority interest, which should have been reported and which would have triggered a reassessment and a substantial increase in property taxes due to the city. However, because the company failed to report the change in ownership, the county did not know about the change in ownership and no reassessment occurred. The property was valued at \$3.2 million before the unreported change of ownership in 2001. A reassessment of the property in 2007 valued the property at \$16 million. As a result of unpaid, past due taxes and penalties, the City and County of San Francisco collected \$1.3 million in property taxes. (Source: SF Assessor's Office)

San Francisco Financial District Waterfront Complex Sold But Not Reassessed

(2008): In 2008, according to the San Francisco Assessor's Office two large commercial properties located in the Financial District and walking distance to the Embarcadero promenade waterfront were purchased by Arden Realty Inc., but were not reassessed at market value. According to the San Francisco Assessor's Office, the properties were last assessed at market value in 1999. The property located at 75 Broadway has an assessed land value of \$21.8 million and improvement value of \$12.9 million for 2008. The property located on Davis Street has a land assessed value of \$15.8 and improvement

value of \$10.3 million for 2008. Neighboring properties with similar lot sizes have land value and structural values exceeding \$100,000,000.

Corporate Changes Of Ownership In Riverside County Still Not Reassessed After More Than 10 Years: A February 2009 audit of the Riverside County Assessor's Office by the State Board of Equalization, found that several pieces of commercial property changed corporate ownership prior to 2005 but have not been properly reassessed. The State Board of Equalization notified the Assessor's Office of the corporate change in control in the 1990s and early 2000s but the properties were never reassessed. "Discussions with staff suggested that the title division may have lost track of some of the monthly packages mailed from the Board of Equalization's Legal Entity Ownership Program (LEOP) and were not aware of the changes in control," states the audit. "In other cases, the transfers are still being processed while additional information is being collected," states the audit. The BOE's LEOP program sends out a periodic listing to all counties of the legal entities that have experienced changes in control. "Many of the transfers we reviewed that occurred prior to 2005 remain unprocessed," states the audit.

Several Commercial Properties Change Ownership In Imperial County Without Reassessment: A February 2008 audit of the Imperial County Assessor's Office by the State Board of Equalization found "a number of parcels that were not reassessed despite changes of control of the legal entities that owned them." "In one instance, two separate changes in control occurred approximately one year apart. One of the two parcels owned by the corporation was correctly revalued for both changes in control, but the assessor failed to revalue the other parcel upon the second change in control."

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