

# Q1 2010



# City of Lompoc Sales Tax Update

Second Quarter Receipts for First Quarter Sales (Jan-Mar 2010)

## Lompoc In Brief

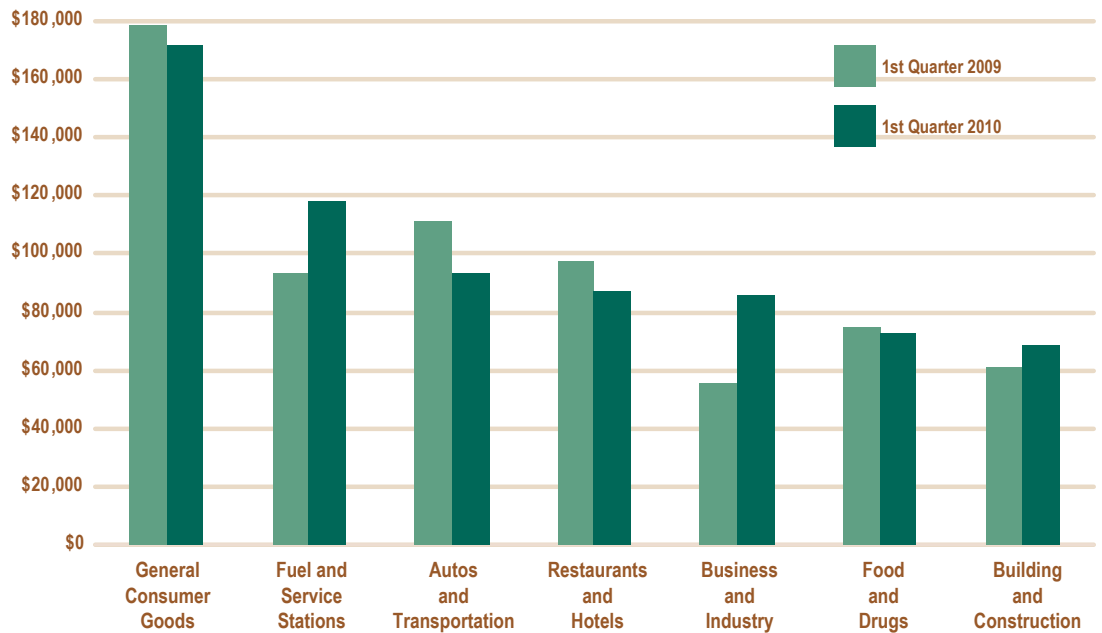
Receipts for Lompoc's first quarter sales were 3.9% higher than the same quarter one year ago. Actual sales were up 6.0% when reporting aberrations were factored out.

The increase in the business & industry sector was primarily due to a onetime payment. Higher fuel prices increased revenues from service stations. The city experienced an increase in sales from building & construction.

The gains were partially offset by reporting problems that temporarily depressed receipts from restaurants with beer/wine and a decline in sales from general consumer goods.

Adjusted for reporting aberrations, taxable sales for all of Santa Barbara County increased 2.9% over the comparable time period while the Central Coast region, as a whole, was up 3.3%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS In Alphabetical Order

Advanced Minerals	Robertson Dental Lab
Albertsons	Ross
Anitas Spirit Gas & Mini Mart	Staples
Big 5 Sporting Goods	Sunset Auto Center
Big Brand Tire	Taco Bell
Chevron	Tesoro West Coast Company
Circle K	Toyota of Lompoc
Food 4 Less	Valero Corner Store
Home Depot	Vons
JB Dewar	Vons Gasoline Sales
Lompoc Honda	Wal Mart
McDonalds	Walgreens
Moore Mill & Lumber	

### REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2008-09	2009-10
Point-of-Sale	\$3,208,262	\$2,872,310
County Pool	368,927	350,183
State Pool	1,513	2,546
<b>Gross Receipts</b>	<b>\$3,578,701</b>	<b>\$3,225,039</b>
Less Triple Flip*	\$(894,675)	\$(806,260)

\*Reimbursed from county compensation fund

**Statewide Results**

Adjusted for accounting aberrations, California's local sales and use tax revenues from the first quarter of 2010 were 1.1% higher than the same quarter one year ago. This marks the first year-over-year gain in statewide sales in two and one-half years.

For most agencies, the increase came almost exclusively from the 33% recovery in fuel prices since first quarter 2009. An early Easter also helped boost receipts from discount department stores and value priced apparel while year-end bonuses, the prior stock market rally and manufacturer incentives produced auto sales gains in some high income communities.

Geographically, the central and northern coastal areas of California did better than the rest of the state. However, the only solid across-the-board increases occurred in a few areas surrounding the technology centers of Silicon Valley.

**Projections for a Tepid Recovery Continue**

Statewide, declines in local sales and use tax revenues are generally thought to have "bottomed out" and expectations are for moderate gains in local allocations over the next two quarters. Rising fuel prices, stimulus rebates for energy-related purchases, inventory rebuilding by retailers and manufacturers and a temporary slump in consumer savings to satisfy pent up demand are all expected to have a positive impact on revenues.

Aggressive manufacturer incentives are also projected to improve new car sales over the next few quarters although the taxable values of the units sold will be far less than at the peak of the credit bubble when 40% of all California new car sales were financed from home equity loans which had encouraged more expensive purchases. However the increases are anticipated to taper off in the last half of the fis-

cal year as inventory rebuilding winds down and various federal stimulus and tax incentive programs are phased out. Overall year-end gains are expected to be modest except in jurisdictions benefitting from new development or specific business/retail segments.

The current consensus is that California's fiscal problems, high unemployment and a continued slump in construction activity make significant recovery in tax revenues unlikely before 2012-2013.

**Local Add-On Sales Tax Measures Approved**

All six proposals for sales tax additions were approved in June as voters continued to exhibit an openness to financing services in their immediate communities where they have more input and control.

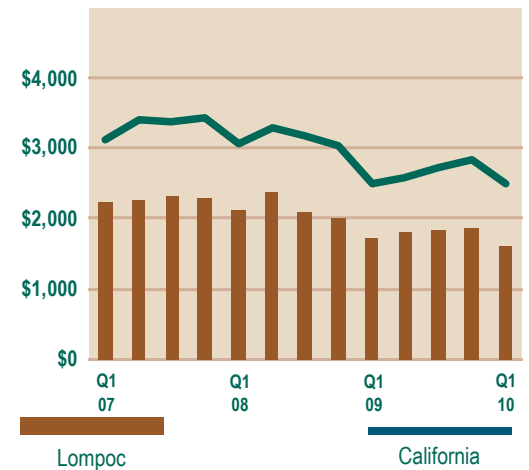
New taxes were approved in the cities of Calexico, Cathedral City, Cotati, Rohnert Park and Woodland. Davis approved continuation of an existing tax that was about to sunset.

This brings the number of agencies

with one or more "transactions tax" districts to 78 cities and 27 counties. While sales tax is collected on all purchases and allocated to where the sale is negotiated, the local "transactions tax" is collected and distributed for purchases in only the levying jurisdiction where the goods are delivered, consumed or registered.

A dozen agencies are considering similar measures for the November 2010 ballot.

**SALES PER CAPITA**



**LOMPOC TOP 15 BUSINESS TYPES**

Business Type	Lompoc		HdL State
	Q1 '10	Change	Change
Service Stations	\$108,847	24.9%	28.0%
Discount Dept Stores	— CONFIDENTIAL —	—	4.9%
New Motor Vehicle Dealers	60,063	-5.2%	0.0%
Lumber/Building Materials	— CONFIDENTIAL —	—	1.6%
Restaurants No Alcohol	48,898	-7.6%	-3.3%
Grocery Stores Liquor	44,376	-0.6%	-3.5%
Electrical Equipment	— CONFIDENTIAL —	—	1.5%
Restaurants Beer And Wine	29,365	-17.9%	-6.0%
Automotive Supply Stores	17,433	-15.3%	3.2%
Family Apparel	17,354	18.3%	13.6%
Specialty Stores	12,352	-14.2%	-3.7%
Repair Shop/Hand Tool Rentals	11,525	1.0%	-6.7%
Drug Stores	— CONFIDENTIAL —	—	-1.8%
Auto Repair Shops	10,464	-6.6%	-4.6%
Grocery Stores Beer/Wine	9,842	6.1%	1.7%
<b>Total All Accounts</b>	<b>\$697,308</b>	<b>3.5%</b>	<b>0.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>89,748</b>	<b>6.6%</b>	
<b>Gross Receipts</b>	<b>\$787,055</b>	<b>3.9%</b>	