

Q4  
2010



# City of Lompoc Sales Tax Update

First Quarter Receipts for Fourth Quarter Sales (Oct-Dec 2010)

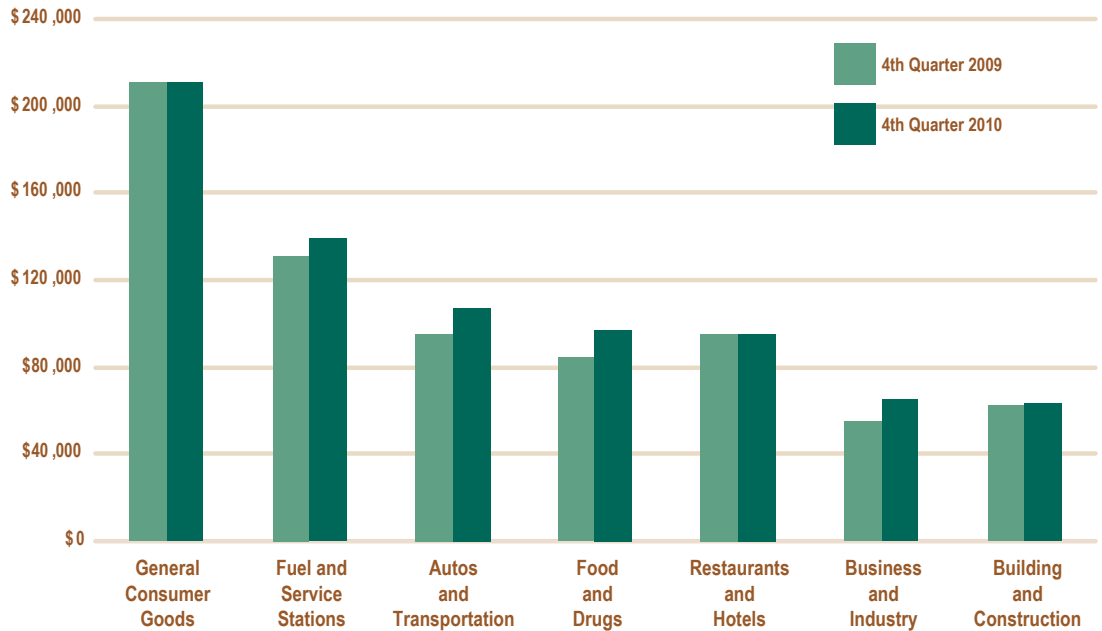
## Lompoc In Brief

Receipts for Lompoc's fourth quarter sales were 6.0% higher than the same quarter one year ago. Actual sales were up 5.8% when reporting aberrations were factored out.

The city experienced a strong sales quarter for wineries, autos & transportation and service stations. A double-up payment temporarily inflated returns from grocery stores. A recent addition helped boost revenues from restaurants with no alcohol.

Adjusted for reporting aberrations, taxable sales for all of Santa Barbara County increased 11.1% over the comparable time period while the Central Coast region, as a whole, was up 7.1%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

99 Cents Only	Seasmoke Cellars
Advanced Minerals	Staples
Albertsons	Stuarts Valero Mart
Bet Plant Services	Sunset Auto Center
Chevron	Tesoro West Coast
Circle K	Toyota of Lompoc
CVS Pharmacy	Valero Corner Store
Food 4 Less	Vons
Home Depot	Vons Gasoline Sales
JB Dewar	Wal Mart
Lompoc Honda	Walgreens
McDonalds	
Michaels Arts & Crafts	
Ross	

### REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2009-10	2010-11
Point-of-Sale	\$2,175,002	\$2,235,576
County Pool	260,854	268,310
State Pool	2,128	1,146
<b>Gross Receipts</b>	<b>\$2,437,984</b>	<b>\$2,505,032</b>
Less Triple Flip*	\$(609,496)	\$(626,258)

\*Reimbursed from county compensation fund

**Statewide Sales Increase!**

Adjusted for accounting aberrations, California's local sales and use tax revenues for the fourth quarter of 2010 were 7.3% higher than the same quarter one year ago. This represents the fourth straight quarter of growth and the largest percentage increase since the third quarter of 2005.

Higher fuel prices and usage, robust sales of new autos and rebounds in restaurants and general consumer goods helped boost overall receipts. Capital purchases of business equipment and labor-saving technology were especially strong in the Bay Area and Southern California. A onetime use tax payment for alternative energy equipment added to San Joaquin Valley's pooled use tax totals. Excluding accounting aberrations the state's strongest regions were the San Joaquin Valley +12.5%, the Bay Area +7.7% and the Central Coast +7.1%.

**Some Problems Remain**

Although recent better than expected improvements in the state's labor markets suggest the rebound is gaining momentum, most economists believe the unemployment rate will remain in double-digits through 2012.

The large volume of unsold residential, commercial and office properties will continue to suppress new construction spending and be a drag on the economy through 2012-13. Soaring oil prices and budget cutbacks by state and local governments will have a short-term negative impact on economic growth.

Post tsunami problems in Japan are likely to cause supply shortages of autos, auto parts and various electronic components. However, the depth and duration of the impact remains unclear at this time.

**Green Energy Exemptions**

SB 71, which was pushed through the Legislature as one of last year's budget deals, authorizes the previously ob-

scure California Alternative Energy & Advanced Transportation Financing Authority (CAEATFA) to grant sales and use tax exemptions of state and local sales, use and transactions taxes for "green manufacturing" projects. There is no cap on the value of exemptions CAEATFA may approve but the Legislature must be notified if they exceed \$100 million annually. Through March, CAEATFA has approved 28 projects exempting almost \$961 million in qualified property that would have generated about \$87.5 million statewide using an average tax rate of 9.1%. Local government losses are expected to exceed \$19 million.

Although approved projects are located in various areas of the state, Santa Clara and Alameda Counties have been the most impacted thus far.

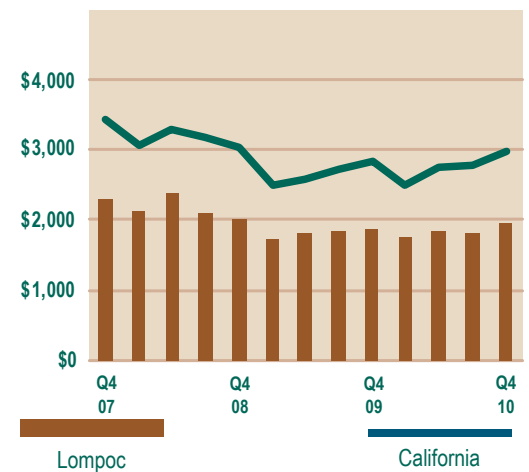
**Renewable Energy Exemptions**

In late February the CAEATFA Board of Directors postponed expansion of the exemption program with a proposed \$50 million sales and use tax exemption program for renewable

energy generation projects until early 2012 pending a better understanding of the state's fiscal condition. Industry lobbyists are pushing for a much larger program than CAEATFA originally planned.

Local governments will not be notified of applications that could affect their revenues. However, agenda notices can be obtained by visiting <http://www.treasurer.ca.gov/caeatfa/agenda.asp>.

**SALES PER CAPITA**



**LOMPOC TOP 15 BUSINESS TYPES**

Business Type	Lompoc		HdL State
	Q4 '10	Change	Change
Art/Gift/Novelty Stores	11,110	33.7%	7.6%
Automotive Supply Stores	17,622	-2.7%	11.3%
Discount Dept Stores	— CONFIDENTIAL —		2.2%
Drug Stores	— CONFIDENTIAL —		0.2%
Family Apparel	22,552	7.6%	5.8%
Grocery Stores Beer/Wine	12,231	-4.5%	1.7%
Grocery Stores Liquor	61,720	27.6%	4.7%
Lumber/Building Materials	— CONFIDENTIAL —		-14.6%
New Motor Vehicle Dealers	— CONFIDENTIAL —		14.4%
Repair Shop/Hand Tool Rentals	13,520	-5.7%	7.3%
Restaurants Beer And Wine	30,682	-8.8%	-2.2%
Restaurants No Alcohol	57,351	10.9%	5.5%
Service Stations	131,287	7.7%	13.1%
Specialty Stores	11,823	-7.7%	7.5%
Wineries	24,080	85.2%	1.4%
<b>Total All Accounts</b>	<b>\$777,798</b>	<b>5.8%</b>	<b>5.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>97,407</b>	<b>7.5%</b>	
<b>Gross Receipts</b>	<b>\$875,205</b>	<b>6.0%</b>	