

# Q4 2015



# American Canyon Sales Tax *Update*

*First Quarter Receipts for Fourth Quarter Sales (October - December 2015)*

## American Canyon In Brief

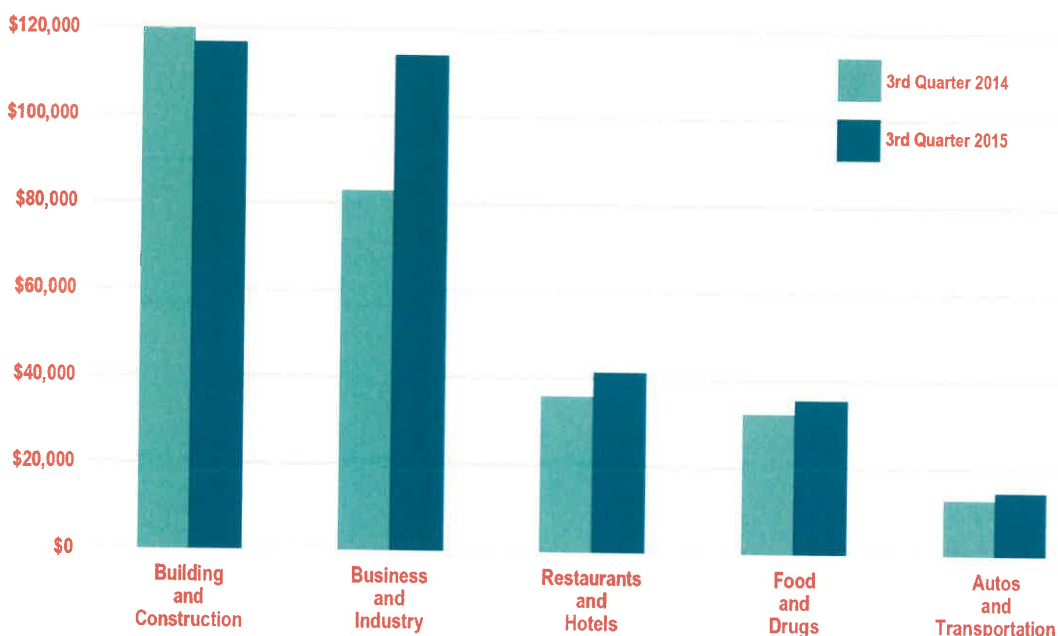
American Canyon's receipts from October through December were 8.3% above the fourth sales period in 2014. Excluding reporting aberrations, actual sales were up 5.6%.

The business and industry group generated the greatest gains this quarter with nearly every segment reporting higher than last year while a new outlet and one under new management bolstered receipts. Restaurant receipts were also higher with casual dining adding one new eatery.

Partially offsetting these gains were the decline in building material sales.

Net of aberrations, taxable sales for all of Napa County grew 5.9% over the comparable time period; the Bay Area was up 3.6%.

## SALES TAX BY MAJOR BUSINESS GROUP



## TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Acorn Paper Products	Industrial Wholesale Lumber
All Bay Mill & Lumber	Jack in the Box
Atlas Lift West	Landsberg Orora
Arco Mini Mart & Gas	McDonalds
AutoZone	Naked Wines
Blueline Rental	Panda Express
Central Valley Builders Supply	Quinlans Tire Service
Chevron	Round Table Pizza
City Of American Canyon	Safeway
Drinks Licensing	Safeway Fuel
General Plumbing Supply	Sonic Drive In
	Walgreens
	Walmart
	Wing Stop

## REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2014-15	2015-16
Point-of-Sale	\$1,065,551	\$1,101,597
County Pool	134,119	148,256
State Pool	774	561
Gross Receipts	\$1,200,444	\$1,250,415
Less Triple Flip*	\$(300,111)	\$(312,604)

\*Reimbursed from county compensation fund

### California Overall

Excluding accounting aberrations, local sales and use tax receipts from the fourth quarter of 2015 ended 2.6% above 2014's holiday quarter.

Solid returns for autos, RVs, building materials and most categories of restaurants were the primary contributors to the statewide increase. The growth in online shopping for merchandise shipped from out-of-state continued to raise countywide use tax allocation pool revenues.

The gains were largely offset by a 13.2% drop in tax receipts from service stations and other fuel-related expenditures. Except for value price clothing and shoes, most categories of general consumer goods were flat or down, reflecting heavy price discounting to reduce excess holiday inventories and the impact of the strong dollar on international tourist spending.

With some exceptions, particularly in the areas of computers and agricultural chemicals, overall receipts from business and industrial expenditures were also down primarily due to cutbacks in capital spending by energy producers and manufacturers of exported goods, equipment and raw materials.

Intense competition and price pressures resulted in only modest gains in receipts from grocers and pharmacists with the largest increase in this group coming from liquor stores and marijuana dispensaries.

HdL's most recent economic consensus forecast anticipates similar modest gains through 2016 with an eventual peak in auto sales replaced by strong sales of building and construction materials for home improvement and new housing. A recovery in tax receipts from fuel is not expected until the end of the year.

### The Triple Flip Is Over!

Beginning with taxes collected in January and forward, local governments will again receive their full share of Bradley-Burns sales and use tax reve-

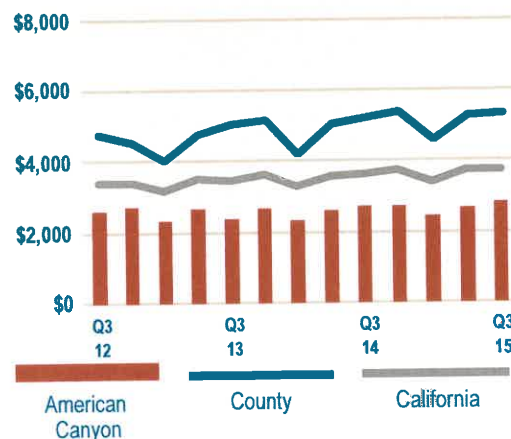
nues thus ending an eleven-year program known as the Triple Flip.

The program began in 2004 when voters approved a \$15 billion bond issue to cover operating deficits resulting from a combination of that year's economic downturn plus failure to offset the loss of revenue from the Governor's popular reduction in the 65-year-old, 2% Motor Vehicle In-Lieu Tax.

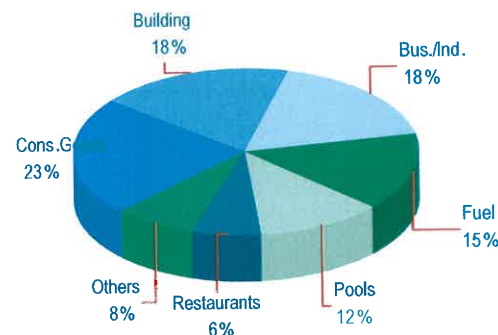
The State retained 25% of local sales tax to guarantee the bonds, reimbursed local governments from monies meant for schools and replaced the money taken from schools with state general funds thus creating what became known as the Triple Flip. The financing scheme resulted in interest payments totaling \$4.8 billion, plus another \$200 million in administrative fees while creating new budget challenges for local governments.

It also resulted in voter passage of constitutional amendment Proposition 1A that bars state tampering with local sales and use tax revenues in the future.

### SALES PER CAPITA



### REVENUE BY BUSINESS GROUP American Canyon This Quarter



### AMERICAN CANYON TOP 15 BUSINESS TYPES

Business Type	American Canyon		County	HdL State
	Q3 '15	Change	Change	Change
Automotive Supply Stores	10,312	14.8%	5.1%	5.2%
Casual Dining	12,370	27.2%	-0.5%	5.6%
Contractors	17,272	25.3%	10.8%	12.9%
Discount Dept Stores	— CONFIDENTIAL —		0.6%	2.1%
Food Service Equip./Supplies	— CONFIDENTIAL —		52.7%	7.9%
Fulfillment Centers	— CONFIDENTIAL —		-0.3%	-7.9%
Grocery Stores Beer/Wine	— CONFIDENTIAL —		10.1%	1.9%
Grocery Stores Liquor	— CONFIDENTIAL —		-1.8%	3.8%
Light Industrial/Printers	20,752	24.3%	31.1%	1.3%
Lumber/Building Materials	88,574	-7.2%	19.7%	6.7%
Plumbing/Electrical Supplies	— CONFIDENTIAL —		-9.8%	10.0%
Quick-Service Restaurants	16,865	9.8%	0.5%	6.7%
Repair Shop/Equip. Rentals	— CONFIDENTIAL —		11.1%	3.4%
Service Stations	— CONFIDENTIAL —		-15.7%	-11.8%
Warehouse/Farm/Const. Equip.	— CONFIDENTIAL —		114.8%	6.9%
<b>Total All Accounts</b>	<b>565,116</b>	<b>4.6%</b>	<b>2.6%</b>	<b>2.3%</b>
<b>County &amp; State Pool Allocation</b>	<b>74,335</b>	<b>9.1%</b>	<b>6.9%</b>	<b>3.5%</b>
<b>Gross Receipts</b>	<b>639,451</b>	<b>5.1%</b>	<b>3.0%</b>	<b>2.4%</b>