

# Q3 2012



# City of Lompoc Sales Tax Update

Fourth Quarter Receipts for Third Quarter Sales (July - September 2012)

## Lompoc In Brief

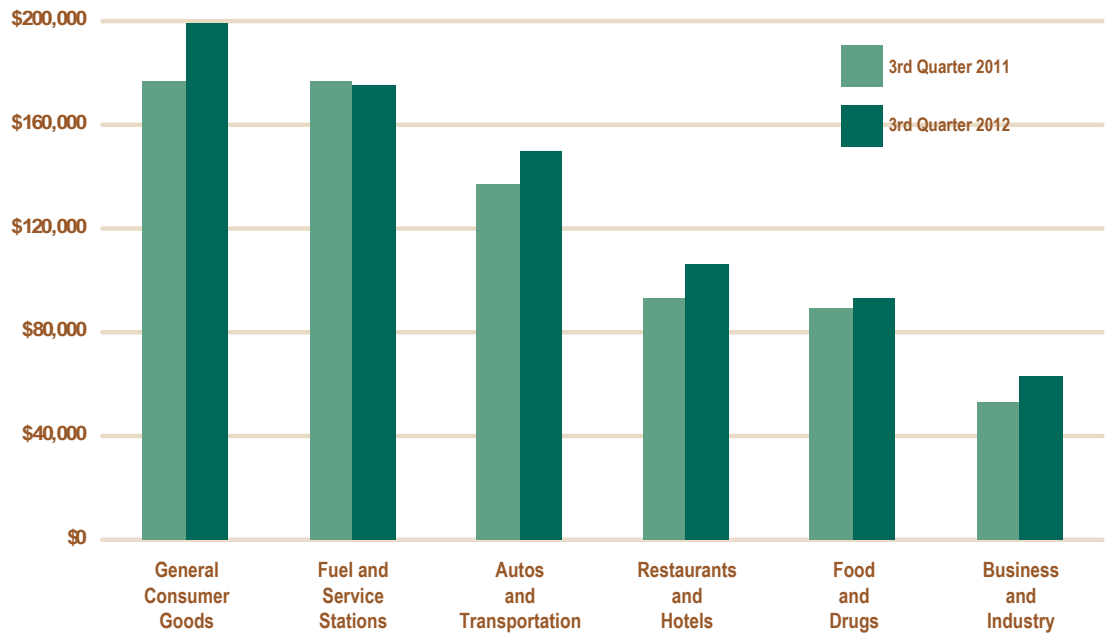
Gross receipts for Lompoc's July through September sales were 13.6% higher than the same period one year ago, but accounting aberrations skewed the data. Actual sales rose 3.6% when anomalies were excluded.

The city experienced increased sales from service stations, grocery-beer/wine, some automotive group outlets and several categories of consumer goods. Prior additions contributed to gains from quick service restaurants, family apparel and electronics/appliances, but a late payment in the year-ago period overstated results from the latter category.

Aberrations inflated comparisons for grocery-liquor, auto supply, home furnishings, repair shop/ equipment rentals and restaurants beer/wine and masked a decline in receipts from the business and industry group. A onetime payment that temporarily boosted last year's allocation was a major factor for business and industry group losses.

Adjusted for onetime reporting events, sales and use tax receipts for the Central Coast region were up 12.4% over the same period.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

7 Eleven	Staples
Advanced Minerals	Stuarts Valero Mart
Albertsons	Sunset Auto Center
Bet Plant Services	Tesoro West Coast
Big Brand Tire	Toyota of Lompoc
Chevron	Valero Corner Store
Circle K	Valley Rock Ready Mix
Food 4 Less	Vons
Home Depot	Vons Gas
Lompoc Honda	Walgreens
McDonalds	Walmart
Pacific Coast RV	
Robertson Dental Lab	
Ross	

### REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	\$1,620,292	\$1,786,274
County Pool	203,060	229,277
State Pool	182	556
<b>Gross Receipts</b>	<b>\$1,823,535</b>	<b>\$2,016,106</b>
<b>Less Triple Flip*</b>	<b>\$(455,884)</b>	<b>\$(504,027)</b>

\*Reimbursed from county compensation fund

**Statewide Results**

Gains in all seven of HdL's key economic groupings confirm that California's economy continues to mend. Statewide local sales and use tax revenues from transactions occurring July through September 2012 were 6.0% higher than the same quarter in 2011 after onetime accounting and reporting aberrations are factored out.

The continued strong demand for new autos exceeded analysts' expectations and generated about one-fourth of the adjusted statewide increase. Restaurant sales posted another strong quarter with receipts 6.6% higher than the same period one year ago. Use tax from the development of solar energy projects and a modest recovery in some categories of building and construction materials also contributed to the rise.

Overall sales growth was tempered by a leveling in fuel prices compared to the previous year's quarter and by a slowdown in business spending in the Silicon Valley.

**The Year Ahead**

Gains in sales and use tax receipts from the first half of 2013 are expected to be lower than previous quarters. Recovery from "fiscal cliff" uncertainties and its final outcome may take several months while Europe's financial woes and China's sluggish growth will temper California export activity. Fuel prices should stabilize and not generate the huge bubbles in tax revenues experienced in previous quarters.

The last half of the year is predicted to resume steady, moderate growth. In November, the state's unemployment rate had already dipped to 9.8 percent, the lowest since the recession began. The recent gains are becoming more widespread among job categories and

even include an increase in construction-related employment.

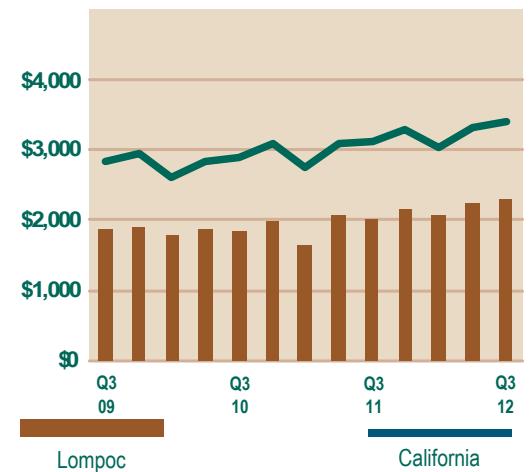
The state's housing market is strengthening with fewer distressed transactions and record low inventories. The median sales price of homes has increased for the last eight consecutive months of the year and building activity, particularly in the coastal areas, is expected to pick up steam in 2013. Elevated foreclosure rates in some inland regions may delay building recovery for another year or two.

Pent-up demand, record low interest rates and easing credit availability have led to robust sales of new automobiles. That demand is expected to continue for another few quarters as consumers replace older, less fuel efficient models and take advantage of lease and financing incentives being offered by manufacturers.

Wage gains from new hiring, combined with lower fuel prices and an improv-

ing housing market are incrementally boosting consumer confidence but much depends on government stewardship of the recovery. Tax increases and reduced benefits could shrink spending at the lower income levels while overly deep cutbacks in government contracts and infrastructure improvements could discourage new business investment.

**SALES PER CAPITA**



**LOMPOC TOP 15 BUSINESS TYPES**

Business Type	Lompoc		HdL State
	Q3 '12	Change	Change
Automotive Supply Stores	22,138	8.4%	0.8%
Discount Dept Stores	— CONFIDENTIAL —	—	15.5%
Electronics/Appliance Stores	14,534	41.5%	-1.1%
Family Apparel	26,963	28.0%	9.9%
Grocery Stores Beer/Wine	13,595	-10.3%	4.1%
Grocery Stores Liquor	57,652	9.3%	9.6%
Heavy Industrial	— CONFIDENTIAL —	—	8.6%
Home Furnishings	11,404	12.8%	4.5%
Lumber/Building Materials	— CONFIDENTIAL —	—	35.9%
New Motor Vehicle Dealers	— CONFIDENTIAL —	—	19.1%
Repair Shop/Equip. Rentals	17,157	41.0%	10.2%
Restaurants Beer And Wine	32,410	10.5%	2.0%
Restaurants No Alcohol	63,113	13.3%	8.1%
Service Stations	175,345	8.7%	1.6%
Specialty Stores	14,096	4.1%	0.9%
<b>Total All Accounts</b>	<b>\$904,761</b>	<b>13.5%</b>	<b>8.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>119,824</b>	<b>14.6%</b>	
<b>Gross Receipts</b>	<b>\$1,024,585</b>	<b>13.6%</b>	