

# Q3 2007



# City of Lompoc Sales Tax Update

Fourth Quarter Receipts for Third Quarter Sales (Jul-Sep 2007)

## Lompoc In Brief

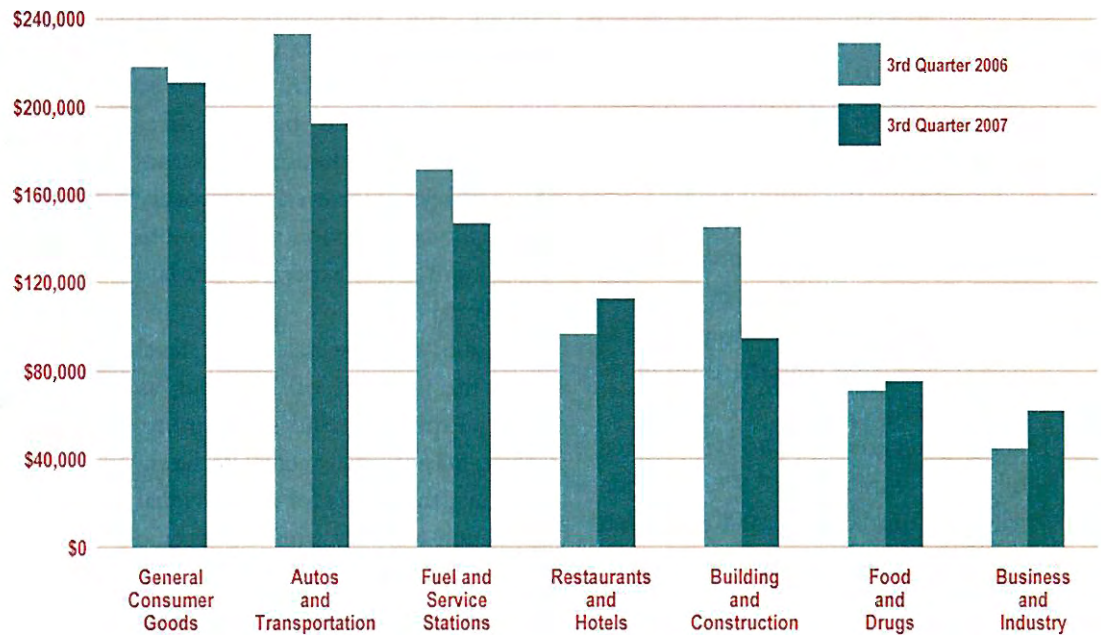
Receipts for Lompoc's third quarter sales were 8.7% lower than the same quarter one year ago. Actual sales activity was down 3.7% when reporting aberrations are factored out.

A business closeout reduced receipts from new motor vehicle dealers. Double-up payments that inflated year-ago returns exaggerated the drop in service stations and lumber/building materials.

The losses were partially offset by the double-up of previously late payments that inflated results from restaurants with no alcohol.

Gross receipts for all of Santa Barbara County decreased 2.3% over the comparable time period while the Central Coast area, as a whole, was down 3.1%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS In Alphabetical Order

Albertsons	Parsons RCI
Anitas Spirit Gas & Mini Mart	Ross
California Chrysler Dodge Jeep	Staples
Chevron	Stuarts Valero Mart
Circle K	Sunset Auto Center
Food 4 Less	Tesoro West Coast
Home Depot	Toyota of Lompoc
JB Dewar	Valero Corner Store
Little Caesars Pizza	Valley Rock Ready Mix
Lompoc Honda	Vons
McDonalds	Vons Gasoline Sales
Mervyns	Wal Mart
Moore Mill & Lumber	

### REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2006-07	2007-08
Point-of-Sale	\$1,866,144	\$1,770,444
County Pool	209,184	214,288
State Pool	2,424	124
<b>Gross Receipts</b>	<b>\$2,077,752</b>	<b>\$1,984,857</b>
Less Triple Flip*	\$(519,438)	\$(496,214)

\*Reimbursed from county compensation fund

NOTES

STATEWIDE SALES DECLINE

Further Decreases Anticipated

After adjusting for accounting aberrations, taxable sales during July through September declined 2.9% from the same quarter of 2006.

The inland regions of the state tended to trail the coastal regions. Only San Francisco and portions of the Silicon Valley posted significant gains.

Autos, lumber/building materials and fuel were the primary losers. New car receipts were down 13.3% from the same quarter one year ago while revenues from building/construction materials dropped 11.3% and fuel 6.1%.

Back to school shopping helped boost family apparel sales for the quarter but the gains were largely offset by a drop in demand for home furnishings and large appliances. Receipts from general consumer goods as a whole ended at only 0.7% higher than the third quarter of 2006.

Restaurants continued to be a source of growth exhibiting a 3.9% statewide gain over third quarter 2006 with even larger increases in the North Bay and Central Coast regions.

Capital purchases by manufacturers/exporters of high tech equipment and supplies also helped offset other declines with gains in business-to-business sales second only to the restaurant group.

The Remaining Fiscal Year ...

Fourth quarter sales results will not be available until the end of March. Preliminary reports indicate that holiday spending on general consumer goods increased only 2.2% over 2006 but that redemption of gift cards could boost January-February sales more than had been anticipated. Further declines are expected in receipts from auto sales.

Prognostications for 2008 are blurred by wide differences among economists on how much further the economy will drop and on when a recovery might begin. However, most agree that the

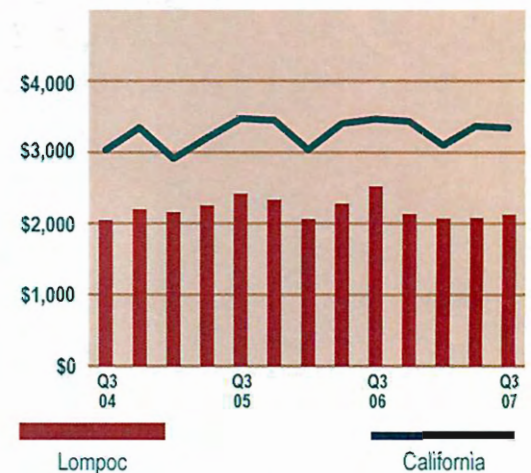
decline will continue through at least the first half of 2008 and possibly longer.

Analysts predict a further decrease of 6.0% to 6.5% in auto sales in 2008 with a recovery in that sector not expected until mid 2009. Sales of general consumer goods are expected to grow only 2.0% to 2.5% overall with solid gains in electronics but weakening performance for apparel, mid-tier department stores and mall shops.

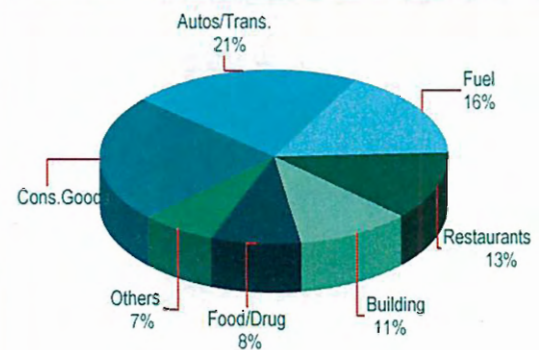
Building and construction material sales could bottom out in mid 2008 with commercial, utility and public construction projects helping offset further losses from housing construction setbacks. However, a recovery in housing construction will be more gradual and is not expected until late 2010 or 2011.

Business-to-business sales may level off in the first half of 2008 but, as long as export demand stays strong, analysts do not expect actual declines. As always, the trends for an individual jurisdiction will vary with the specific make-up of its tax base.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP  
Lompoc This Quarter



LOMPOC TOP 15 BUSINESS TYPES

Business Type	Lompoc		HdL State
	Q3 '07	Change	Change
New Motor Vehicle Dealers	\$136,854	-20.7%	-12.6%
Service Stations	128,123	-15.8%	-5.8%
Discount Dept Stores	— CONFIDENTIAL —	—	3.5%
Lumber/Building Materials	91,512	-31.0%	-27.4%
Restaurants No Alcohol	66,011	20.9%	3.4%
Grocery Stores Liquor	43,447	6.2%	0.0%
Restaurants Beer And Wine	35,480	13.5%	-0.8%
Department Stores	31,371	-5.2%	-1.2%
Automotive Supply Stores	18,819	10.4%	-2.3%
Petroleum Prod/Equipment	— CONFIDENTIAL —	—	4.8%
Specialty Stores	14,515	-0.8%	6.3%
Family Apparel	14,303	-6.6%	7.6%
Auto Repair Shops	13,139	-12.2%	-1.6%
Repair Shop/Hand Tool Rentals	11,886	-31.0%	44.9%
Drug Stores	— CONFIDENTIAL —	—	3.7%
<b>Total All Accounts</b>	<b>\$894,640</b>	<b>-8.7%</b>	<b>-2.2%</b>
<b>County &amp; State Pool Allocation</b>	<b>100,657</b>	<b>-8.5%</b>	
<b>Gross Receipts</b>	<b>\$995,296</b>	<b>-8.7%</b>	