



Economic Development Subcommittee

Sales Tax Revenue Overview
July 21, 2008



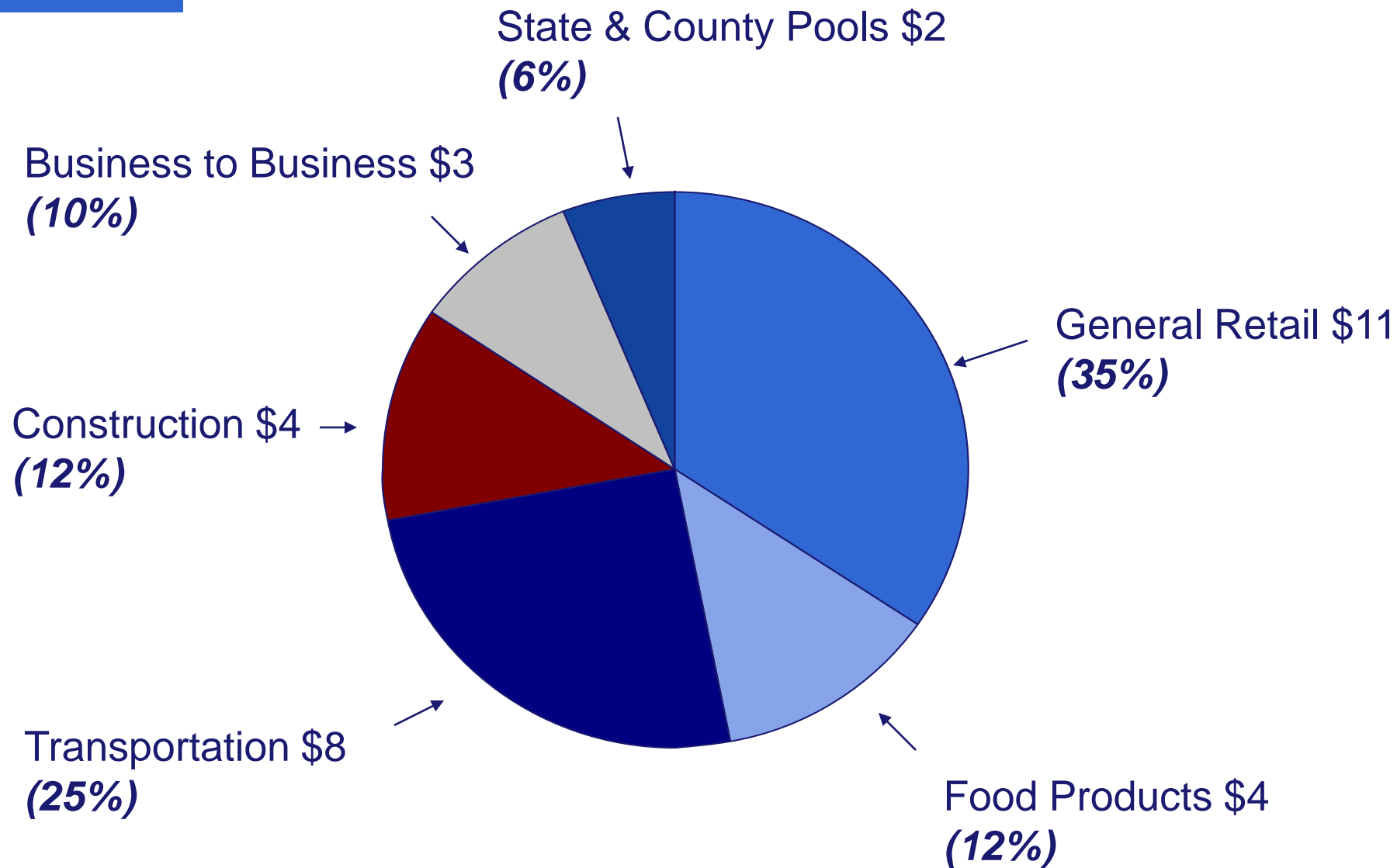


Sales Tax Forecast Update Process

- Perform detailed analysis on each sales tax category
- Consider new and closed businesses
- Include changes related to:
 - Construction related spending
 - Fuel prices
 - New car sales projections
 - Holiday sales projections
 - Business to Business impacts
- Consider potential new sales tax sources



Sales Tax by Category (\$32 million)





Fourth Quarter 2007/08 Summary

- Cash received for 4th (final) quarter of fiscal year for economic activity during Jan - Mar
- Sales Tax cash receipts down (8.3%) from the same quarter last year
- Economic activity down across all categories except food products
- Seven consecutive quarters of negative Sales Tax growth; down (3.7%) year over year



Fourth Quarter Sales Tax Results (1 of 2)

- General Retail category down (8%)
 - Apparel stores down (8%)
 - Department stores down(9%)
 - Furniture/Appliances down (6%)
 - Miscellaneous retail down (9%)
- Transportation category down 8%
 - New car sales down (19%)
 - Used car sales down (10%)
 - Service stations up 18%
 - Miscellaneous vehicle sales down (12%)



Fourth Quarter Sales Tax Results (2 of 2)

- Food products category up 2%
 - Restaurants up 2%
 - Food markets up 2%
 - Liquor stores up 5%
- Construction category down (21%)
 - Wholesale building materials down (19)%
 - Retail down (23%)
- Business to Business category down (11%)



Sales Tax Results Around California

Location	Fourth Quarter 07/08
Santa Rosa	(8.3%)
Sonoma County Total	(3.4%)
SF Bay Area	+1.3%
Central Valley	(3.1%)
Southern California	(3.1%)
State Total	(2.1%)



Other Local Cities Results

Location	Fourth Quarter 07/08
Santa Rosa	(8.3%)
Petaluma	(1.0%)
Rohnert Park	(7.5%)
Windsor	(2.5%)
Healdsburg	+4.5%
Sonoma County Unincorporated	+5.9%



Sales Tax Summary (1 of 2)

- Santa Rosa's Sales Tax revenue continues to be impacted by the economic downturn and leakage to other areas
- Several categories are at the lowest level they have been in several years:
 - New auto sales
 - Apparel sales
 - Miscellaneous retail
 - Furniture/appliance sales
 - Retail building material sales



Sales Tax Summary (2 of 2)

- Sales tax per-capita in Santa Rosa is down 5% since 2005
- 2008/09 Sales Tax Revenue is projected to be virtually flat over 2007/08
 - ***Buy Local!!!!***



Questions