



Economic Development Subcommittee

Sales Tax Revenue Overview
February 17, 2009



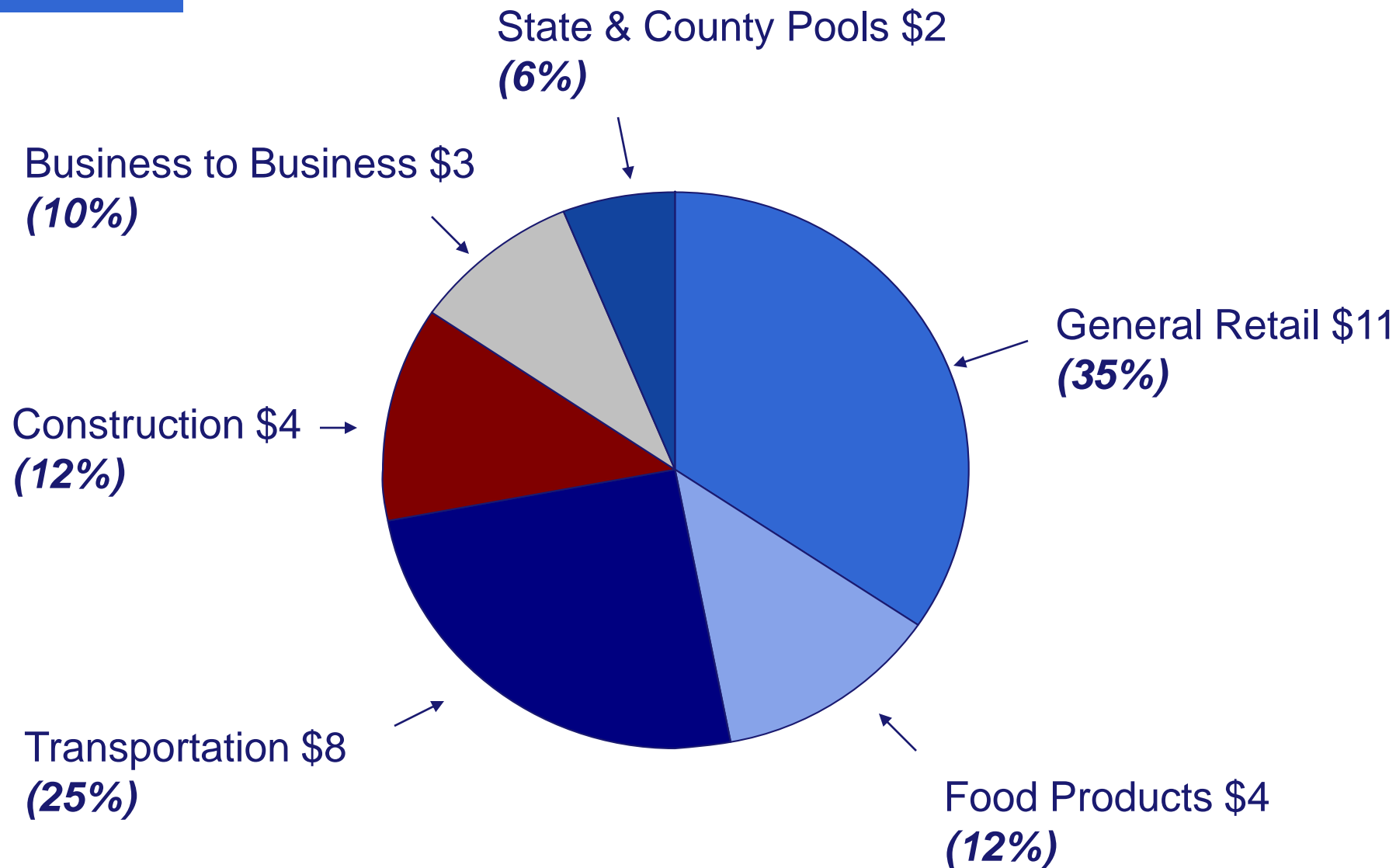


Sales Tax Forecast Update Process

- 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)





Second Quarter 2008/09 Summary

- Cash received for 2nd quarter of fiscal year (October – December) for economic activity during July - September
- Sales Tax cash receipts down (4.7%) from the same quarter last year
- Economic activity down across all categories except food products
- Nine consecutive quarters of negative Sales Tax growth; down (5.9%) year over year



First Quarter Sales Tax Results (1 of 2)

- General Retail category down (4%)
 - Apparel stores down (4%)
 - Department stores down (4%)
 - Furniture/Appliances down (2%)
 - Miscellaneous retail down (8%)
 - Drug store sales up 2%!
- Transportation category down (10%)
 - New car sales down (29%)
 - Auto parts/repair down (14%)
 - Service stations up 28%



First Quarter Sales Tax Results (2 of 2)

- Food products category up 1%
 - Restaurants up 1%
 - Food markets flat
 - Liquor stores up 1%
- Construction category down (11%)
 - Wholesale building materials down (3)%
 - Retail down (21%)
- Business to Business category down (5%)



Sales Tax Results Around California

Location	Second Quarter 08/09
Santa Rosa	(4.7%)
Sonoma County Total	(2.6%)
SF Bay Area	(2.8%)
Central Valley	(1.2%)
Southern California	(3.9%)
State Total	(3.2%)



Other Local Cities Results

Location	Second Quarter 08/09
Santa Rosa	(4.7%)
Petaluma	(3.2%)
Rohnert Park	(2.0%)
Windsor	(11.9%)
Healdsburg	+9.8%
Sonoma County Unincorporated	+4.2%



Sales Tax Summary (1 of 2)

- Santa Rosa's Sales Tax revenue continues to be dramatically impacted by the economic downturn
- Several categories are at the lowest level they have been in many years:
 - New auto sales
 - Department Stores
 - Miscellaneous retail
 - Furniture/appliance sales
 - Retail & wholesale building material sales



Sales Tax Summary (2 of 3)

- It's not all bad news
 - Food products category stable
 - Restaurants doing well
 - Some had the best January ever
 - Wholesale building supplies sales stabilizing?
 - January retail sales up slightly nationwide
 - Lower fuel prices generating more disposable income



Sales Tax Summary (3 of 3)

- Sales tax for 2008/09 is projected to be down approximately (9%) vs. 2007/08
- Third quarter 2008/09 cash receipts results available mid March
- 2008/09 holiday sales tax revenue will be included in those numbers

REMEMBER TO BUY LOCAL!



Questions