

# Q4 2009



# El Dorado County Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (Oct-Dec 2009)

## El Dorado County In Brief

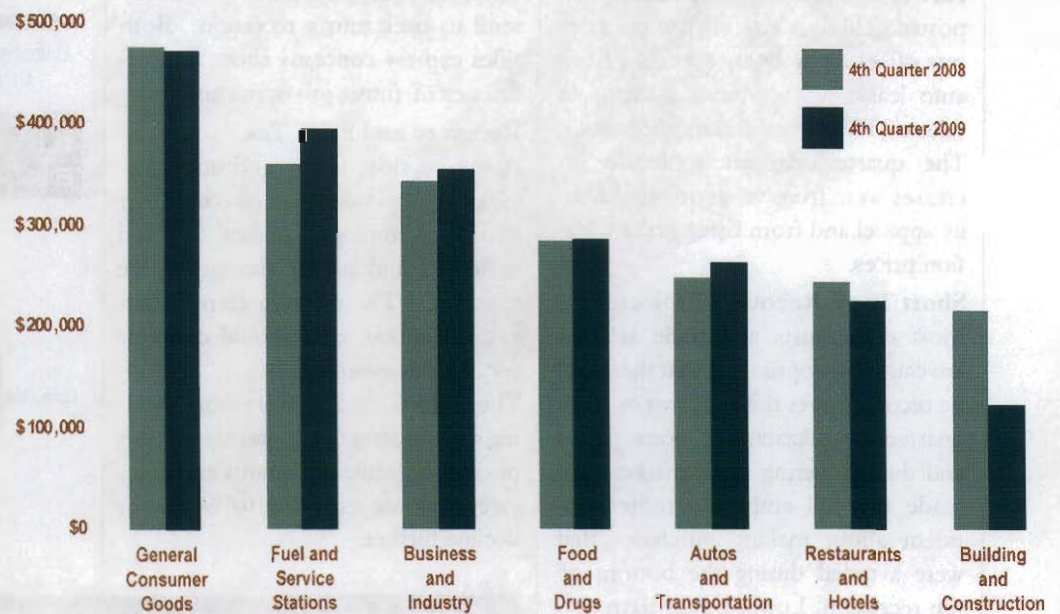
The county's allocation of sales and use tax revenues from the unincorporated area's October through December sales were 1.2% lower than the same quarter last year.

Over 80% of the drop in the Building & Construction group was due to the onetime sale of renewable energy products that inflated returns in the year ago period. The decrease in new auto sales was offset by onetime deviations in other auto-related sectors. Sales activity also declined in business services, specialty stores and restaurants overall.

A new station and higher prices boosted receipts in the service station category while onetime use tax allocations bumped up returns in light industrial/printers.

Adjusted for reporting aberrations, taxable sales for all of El Dorado County including its cities dropped 3.9% over the comparable time period while the Sacramento region as a whole was down 6.3%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS In Alphabetical Order

Bel Air Mart	Mercedes Benz of El Dorado Hills
Cameron Park Circle K 76	Motor Coach Industries
Cameron Park Petroleum	Quick Stop Market
Chevron	Raleys
CVS Pharmacy	Roebelen Contracting
Dawson Oil	Safeway
DST Innovis	Safeway Gasoline
Family Cadillac Chevrolet	Shingle Springs Honda
Golden State Flow Measurement	Shingle Springs Nissan Subaru
K. Mart	TJ Maxx
Lees Feed & Western Store	Target
Meeks Building Center	Tooley Oil
	Wal Mart

### REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2008-09	2009-10
Point-of-Sale	\$7,133,599	\$6,031,637
County Pool	1,206,974	1,032,643
State Pool	3,199	6,163
Gross Receipts	\$8,343,772	\$7,070,443
Less Triple Flip*	\$(2,085,943)	\$(1,767,611)

\*Reimbursed from county compensation fund

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NOTES

## California Overall

Local allocations for sales occurring October through December were 6.7% lower than last year's holiday quarter after adjusting for accounting aberrations.

All regions experienced declines. The largest reductions were in building and construction materials and business equipment and supplies. Shoppers generally favored discount stores and value-oriented apparel to traditional department stores and specialty shops. However, a few high end chains also posted gains. A rise in new car sales was offset by declining revenues from auto leases and continuing drops in sales of RVs, boats and motorcycles.

The quarter's largest statewide increases were from value oriented family apparel and from rising service station prices.

## Short Term Recovery Projected

Most economists and trade analysts are cautiously optimistic that there will be recovery over the next two or three quarters. Stabilization of home prices and the recovering stock market have made the still employed more confident about making purchases that were avoided during the bottom of the recession. Lower prices have also stretched the discretionary income available to make those purchases.

They see banks beginning to lend again while the restocking of depleted inventories is stimulating industrial production. Other factors adding to the optimism are increased demands for American exports, renewed spending on technology and software and a recent uptick in California's entertainment industry.

## The Budget Conundrum

There is general agreement that the current recovery is fragile and that California will trail the nation. However, there is sharp disagreement on its durability. Most analysts believe that as long as the current demand for exports continues, the other previously cited factors will sustain a slow recovery.

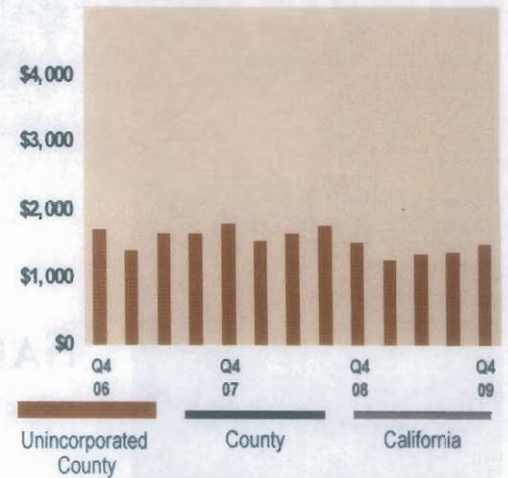
Others argue that a second dip in the recession is likely. They maintain that the current recovery is a "bubble" created by unsustainable tax cuts, federal stimulus spending, low interest loans and modification programs that mask and only delay inevitable foreclosures. Further, the pending resetting of large numbers of adjustable rate home mortgages and need to refinance \$500 billion in commercial loans is being ignored. Until we suffer the consequences from those losses they say, the end of federal bailouts will simply send us back into a recession. Both sides express concerns about the sufficiency of future job opportunities.

## Recovery and Sales Tax

It will be slow, spotty and uncertain. Gains from value priced consumer goods, technology, medical focused industries and higher fuel prices are expected. The increase from incentive driven car sales should continue for another quarter or two.

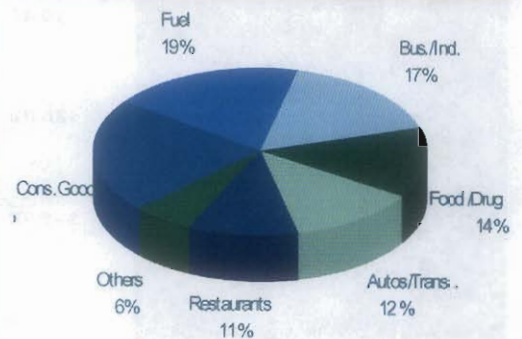
The outlook for a recovery from building and construction materials remains pessimistic while restaurants and other categories are expected to be flat or decline further.

## SALES PER CAPITA



## REVENUE BY BUSINESS GROUP

El Dorado County This Quarter



## EL DORADO COUNTY TOP 15 BUSINESS TYPES

Business Type	Unincorporated County		County	HdL. State
	Q4 '09*	Change	Change	Change
Service Stations	\$356.0	8.6%	8.5%	7.0%
Discount Dept Stores	— CONFIDENTIAL —		0.3%	1.8%
Grocery Stores Liquor	171.4	-2.8%	-4.0%	2.1%
New Motor Vehicle Dealers	151.9	-11.0%	-5.4%	1.0%
Light Industrial/Printers	96.9	96.6%	52.8%	-24.3%
Business Services	75.8	-8.0%	-6.6%	-1.6%
Restaurants No Alcohol	72.8	3.8%	-0.4%	-2.3%
Contractors	63.7	-54.6%	-43.4%	-23.0%
Restaurants Liquor	63.0	-13.2%	1.2%	0.3%
Restaurants Beer And Wine	57.9	-10.4%	-9.8%	-10.9%
Grocery Stores Beer/Wine	49.5	9.5%	9.9%	-0.9%
Automotive Supply Stores	43.8	14.2%	5.0%	-1.6%
Drug Stores	43.6	-6.0%	-3.8%	-1.0%
Specialty Stores	43.4	-20.8%	-17.1%	-6.0%
Auto Repair Shops	35.5	7.6%	-7.2%	-3.9%
<b>Total All Accounts</b>	<b>\$2,129.7</b>	<b>-2.4%</b>	<b>-4.7%</b>	<b>-5.9%</b>
<b>County &amp; State Pool Allocation</b>	<b>403.2</b>	<b>5.6%</b>		
<b>Gross Receipts</b>	<b>\$2,532.8</b>	<b>-1.2%</b>		

\*In thousands