

Q3 2017



City of Oxnard Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (July - September 2017)

Oxnard In Brief

Oxnard's receipts from July through September were 1.3% above the third sales period in 2016. Excluding reporting aberrations, actual sales were up 4.8%.

Onetime fund transfers that overstated year-ago returns accounted for the decline in the business and industry group. The actual gain of 1.3% reflected higher performance in several sectors including garden/agricultural supplies and heavy industry.

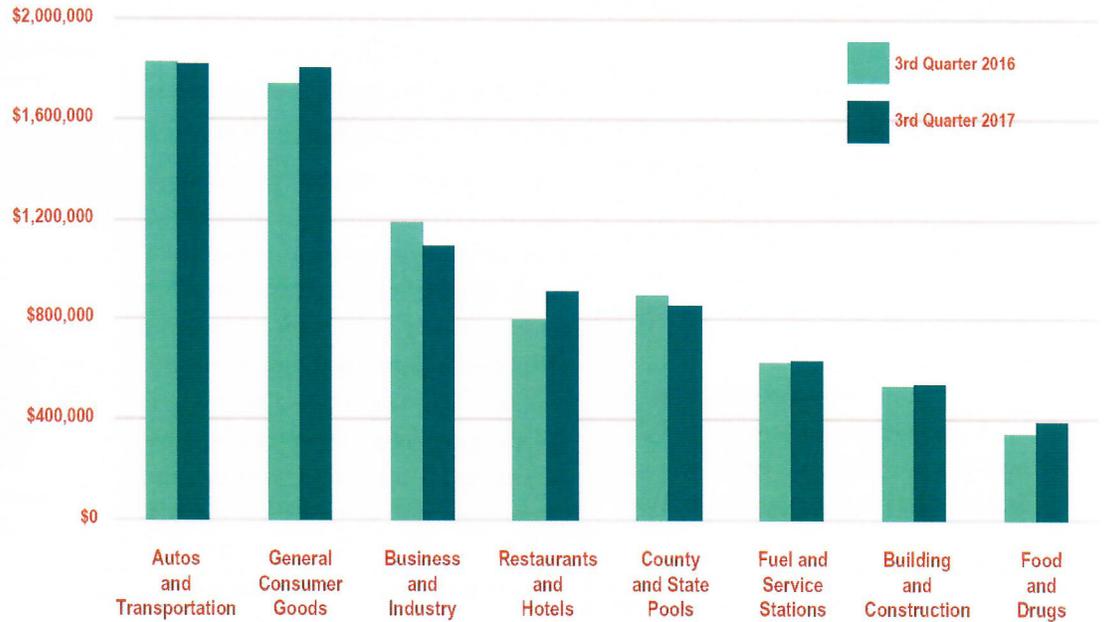
Similar non-recurring events temporarily depressed the City's share of the countywide use tax allocation pool.

New retail combined with higher fuel sales at discount locations lifted general retail. Hospitality-related performance outpaced regional trends, in part from recent openings, while additional offerings boosted food and drugs.

Once aberrations were removed, Measure O, the City's half cent transactions tax, posted a 6.2% gain.

Net of aberrations, taxable sales for all of Ventura County grew 1.0% over the comparable time period; the Southern California region was up 3.1%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Alexander Buick GMC Cadillac	Helena Chemical Company
Best Buy	Home Depot
Carmax	Lowes
Circle K	Mercedes Benz of Oxnard
Conico Toro	Quinn Power Systems
Costco	Sams Club
Crop Production Services	Sysco Ventura
DCH Audi of Oxnard	Target
DCH Honda of Oxnard	Team Nissan
DCH Lexus of Oxnard	Toyota of Oxnard
Food 4 Less	Vista Ford Lincoln Of Oxnard
Frys Electronics	Walmart Supercenter
Haas Automation	

REVENUE COMPARISON

One Quarter - Fiscal Year To Date

	2016-17	2017-18
Point-of-Sale	\$7,060,803	\$7,203,748
County Pool	897,591	854,536
State Pool	2,410	5,543
Gross Receipts	\$7,960,804	\$8,063,827
Cty/Cnty Share	(262,707)	(266,106)
Net Receipts	\$7,698,097	\$7,797,721
Measure O	\$3,595,065	\$3,465,662

Statewide Trends

After factoring for accounting anomalies, local government's one-cent share of statewide sales and use tax from July through September sales was 3.9% higher than 2016's summer quarter.

Rising fuel prices, increased demand for building-construction materials and the continuing acceleration in online shopping for merchandise shipped from out-of-state that is expanding receipts from the countywide use tax allocation pools were the primary contributors to the overall increase.

This quarter marked the anticipated leveling off of auto sales while agriculture and transit-related purchases helped boost otherwise tepid gains in business-industrial receipts. Restaurant sales exhibited healthy overall gains of 3.5% although growth rates are slowing from previous quarters.

Receipts from consumer goods sold by brick and mortar stores were up 0.7% over the previous year while revenues from online purchases grew 13.3%.

Cannabis Taxation

A 15% excise tax on retail cannabis and cannabis products along with a cultivation tax and sales tax on recreational uses take effect on January 1, 2018.

Significant sales tax revenues are not expected until late 2018-19 as retail start-ups comply with lengthy state and local permitting processes. Although sales of medicinal cannabis became exempt in 2016 for purchasers with a state issued Medical Marijuana ID card, jurisdictions with dispensaries continue to receive sales tax from that source as most patients prefer to use a note from their physicians.

Some decline in revenues from medicinal dispensaries are expected as users' transition to new purchase options and because of lower prices caused by anticipated overproduction and the six month window that suppliers have to sell existing inventory grown under previous regulations.

Sales Tax and Natural Disasters

The recent firestorm tragedies have raised questions on potential bumps in sales tax revenues from reconstruction and recovery activities.

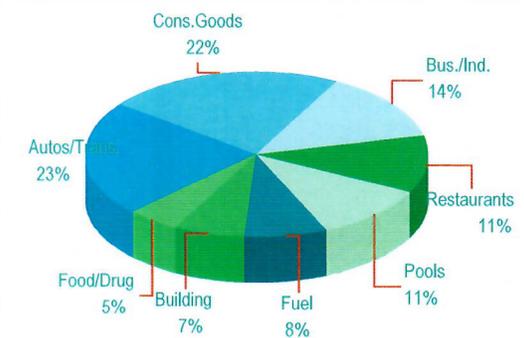
HdL analyzed the sales tax data from the 1991 Oakland Hills, 2003 San Diego Cedar and 2007 San Diego Witch fires which involved the combined loss of over 7,700 structures. Surprisingly, there were no identifiable gains in construction and auto-related purchases within the impacted areas during the five years after each event with receipts following normal economic cycles experienced by the state as a whole.

Further analysis suggests that though the individual losses are catastrophic, purchases of replacement items are a small fraction of the impacted area's total spending and is often spread to other jurisdictions where disaster victims relocate. Tax receipts from construction spending are defused over time because of lengthy claims and permitting processes that cause up to 40% of disaster victims to relocate leaving vacant lots that are not immediately redeveloped.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Oxnard This Quarter



OXNARD TOP 15 BUSINESS TYPES

Business Type	<i>*In thousands of dollars</i>			
	Oxnard Q3 '17*	Oxnard Change	County Change	HdL State Change
Building Materials	368.1	2.3%	5.6%	5.6%
Casual Dining	386.1	4.2%	1.4%	2.2%
Discount Dept Stores	777.3	6.8%	5.2%	6.1%
Drugs/Chemicals	166.1	-59.5%	-44.4%	-0.1%
Electronics/Appliance Stores	257.9	1.6%	2.8%	0.3%
Family Apparel	171.0	-0.6%	0.3%	1.7%
Garden/Agricultural Supplies	180.8	10.3%	21.9%	11.0%
Grocery Stores	250.3	21.7%	4.5%	0.6%
Home Furnishings	185.4	15.7%	-0.3%	0.6%
New Motor Vehicle Dealers	1,216.3	2.5%	1.9%	0.9%
Quick-Service Restaurants	383.6	16.0%	9.4%	4.8%
Service Stations	519.6	-2.4%	3.9%	9.2%
Specialty Stores	125.1	3.7%	-0.6%	2.3%
Used Automotive Dealers	269.5	-11.3%	-9.1%	3.0%
Warehouse/Farm/Const. Equip.	233.2	11.5%	7.5%	6.5%
Total All Accounts	7,203.7	2.0%	-0.7%	4.1%
County & State Pool Allocation	860.1	-4.4%	-6.9%	4.8%
Gross Receipts	8,063.8	1.3%	-1.4%	4.2%
City/County Share	(266.1)	-1.3%		
Net Receipts	7,797.7	1.3%		