

# Q1 2016



# City of Buellton Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2016)

## Buellton In Brief

Buellton's receipts from January through March were 6.3% above the first sales period in 2015. Excluding reporting aberrations, actual sales were up 7.3%.

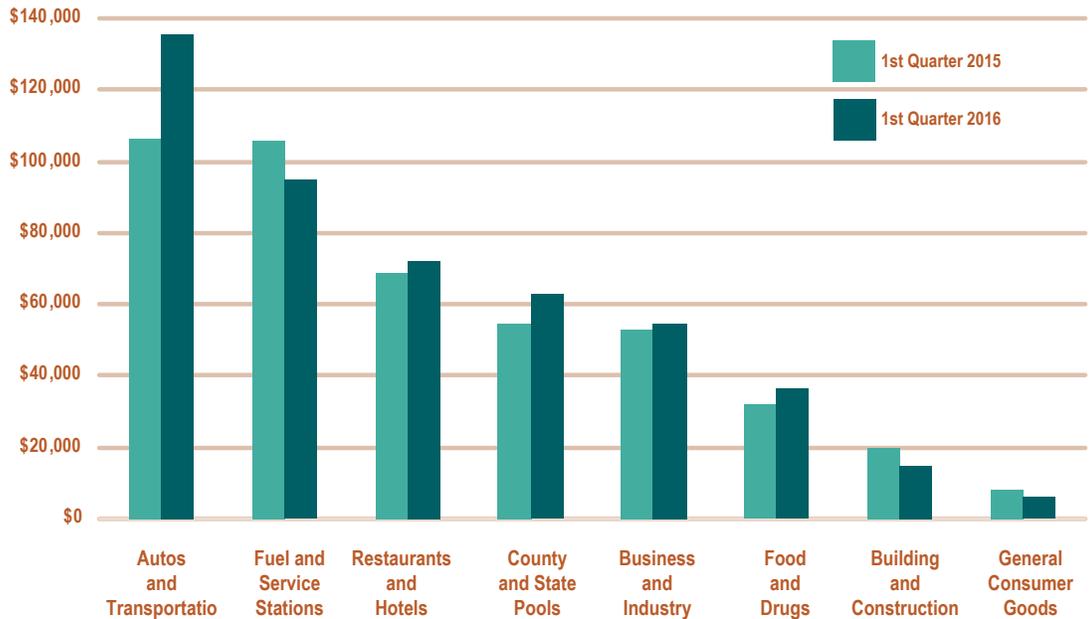
A recent addition and a strong sales quarter that helped boost revenues from the autos and transportation sector were primarily responsible for the current increase.

The City also experienced a strong sales quarter for casual dining restaurants and the food and drugs group.

The gains were partially offset by lower fuel prices at the pump and reporting problems that temporarily depressed receipts from building and construction.

Net of aberrations, taxable sales for all of Santa Barbara County grew 3.3% over the comparable time period; the Central Coast region was up 4.2%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

AJ Spurs Saloon & Dining Hall	McDonalds
Albertsons	Platinum Performance
Andersons Pea Soup	Platinum Performance Vet
Buellton Shell	Rio Vista Chevrolet
Buelton Mobil Chevron	Santa Ynez Valley Marriott
Coast Auto Sales	Sky River Rv
Conserv Fuel	Terravant Wine Company
CVS	Tesoro Refining & Marketing
Eagle Energy	The Hitching Post II
Farm Supply	Todd Pipe & Supply
Firestone Walker	Toms Gas & Market
Industrial Eats	
Jim Vreeland Ford	

### REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2014-15	2015-16
Point-of-Sale	\$1,716,663	\$1,877,164
County Pool	236,304	258,673
State Pool	1,139	1,338
<b>Gross Receipts</b>	<b>\$1,954,106</b>	<b>\$2,137,174</b>
<b>Less Triple Flip*</b>	<b>\$(488,527)</b>	<b>\$(415,139)</b>

\*Reimbursed from county compensation fund

**California Overall**

The local one-cent share of the statewide sales and use tax was 3.1% higher than the year-ago quarter after excluding payment aberrations.

Gains in the countywide use tax pools were the largest contributor to the increase due to the growing impact of online purchases from out-of-state sellers and the corresponding shift of tax revenues from brick and mortar retail stores to fulfillment centers that process orders online. Not surprisingly, areas with concentrations of young, affluent buyers saw the highest online sales growth and the weakest general consumer goods results.

Solid results from auto sales and leases, transportation rentals, contractor supplies and restaurants also contributed to the overall increase.

The 5.6% gain in the business-industry sector was bolstered by onetime receipts for equipment purchases related to alternative energy projects.

Most general consumer goods categories were flat or down, except for specialty stores, electronics-appliance stores and home furnishings, consistent with the trend of consumers buying more from online retailers.

Gains from most other segments were relatively modest, while lower prices at the pump caused an 11.4% decline in fuel tax revenues, extending the decline to a sixth consecutive quarter.

**Robust Growth in Online Sales**

National surveys reveal that consumers buy online to avoid crowds, save time and find better bargains. Online shopping also benefits buyers in rural areas with fewer shopping options.

Total online spending comprised 12.8% of all general consumer goods purchases in 2015, up from 3.4% in 2000.

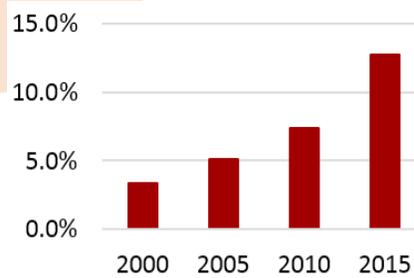
According to Forrester Research, Amazon accounted for 60% of total online sales growth in 2015.

Though the online share of overall sales

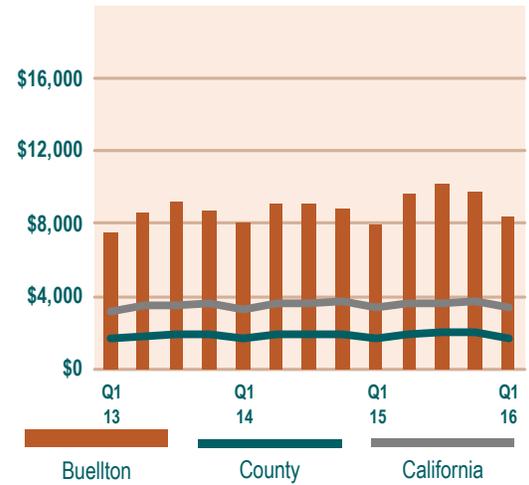
remains relatively modest, the year-over-year growth rate indicates a major shift in retailing is well underway. In response, more and more traditional brick and mortar retailers are opening online sales channels in recognition of this growing trend largely powered by younger buyers.

Department store chains have been particularly hard hit as Amazon has expanded its offerings to include apparel and fashion merchandise. Media reports indicate Macy's recently suffered its worse quarterly sales since the recession, while Nordstrom, J.C. Penney and Kohl's all reported lower sales. Each of these chains has established a solid web presence in a fight to retain market share.

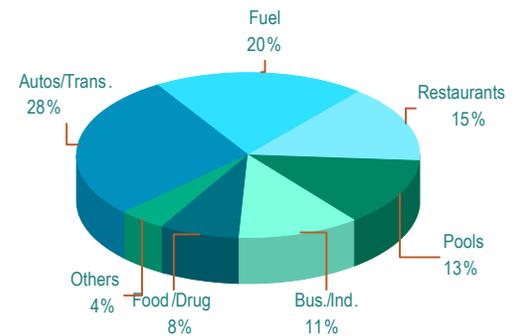
**Online General Consumer Goods  
YOY Percentage Growth**



**SALES PER CAPITA**



**REVENUE BY BUSINESS GROUP  
Buellton This Quarter**



**BUELLTON TOP 15 BUSINESS TYPES**

Business Type	Buellton		County	HdL State
	Q1 '16	Change	Change	Change
Auto Repair Shops	8,803	26.2%	22.7%	7.4%
Automotive Supply Stores	8,136	7.4%	5.2%	4.8%
Casual Dining	44,081	10.4%	7.8%	5.9%
Drug Stores	— CONFIDENTIAL —	—	3.4%	0.0%
Garden/Agricultural Supplies	— CONFIDENTIAL —	—	1.0%	0.2%
Grocery Stores Liquor	— CONFIDENTIAL —	—	-0.6%	1.6%
Medical/Biotech	— CONFIDENTIAL —	—	-19.1%	7.9%
New Motor Vehicle Dealers	— CONFIDENTIAL —	—	7.6%	3.1%
Petroleum Prod/Equipment	— CONFIDENTIAL —	—	17.5%	-44.1%
Plumbing/Electrical Supplies	— CONFIDENTIAL —	—	2.7%	12.0%
Quick-Service Restaurants	23,050	3.3%	5.6%	6.4%
Service Stations	87,060	-10.6%	-6.9%	-9.3%
Trailers/RVs	— CONFIDENTIAL —	—	143.2%	6.1%
Used Automotive Dealers	— CONFIDENTIAL —	—	4.0%	9.2%
Wineries	14,882	-16.7%	-14.8%	2.9%
<b>Total All Accounts</b>	<b>413,882</b>	<b>5.1%</b>	<b>2.0%</b>	<b>1.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>62,737</b>	<b>15.3%</b>	<b>10.1%</b>	<b>14.1%</b>
<b>Gross Receipts</b>	<b>476,620</b>	<b>6.3%</b>	<b>3.7%</b>	<b>3.2%</b>