EL DORADO COUNTY SALES TAX

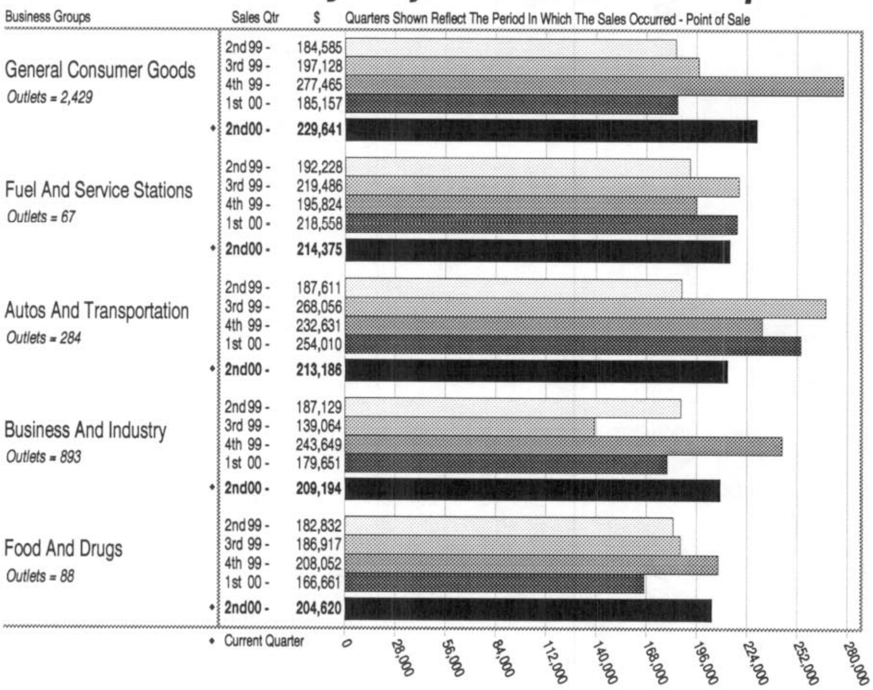
Third Quarter Receipts for Second Quarter Sales (Apr. - June 2000)

Publication Date: October 2000

THE HdL COMPANIES

www.hdlcompanies.com

Sales Tax By Major Business Group



This Quarter

Unincorporated area receipts from for the April through June sales period grew 13.6% over the same quarter last year.

Gains occurred mainly among service station, new motor vehicle dealer, contractor, discount department store, lumber/building materials, grocery stores with beer/wine, and light industrial/printer categories. Increases for new motor vehicle dealers and discount department store outlets were exaggerated due to one-time payment aberrations. The light industrial/ printer sector benefited from new store openings.

Few groups were affected by declines. Of those, the auto repair shop, business services, and non-store retailer groups fell the most.

During the same period the Sacramento region grew 13.1% and the state was up 12.6%.

Top 25 Producers

Listed Alphabetically

Bel Air Mart
Cabot
Central Concrete Supply
Chevron USA
Crystal View Station
El Dorado Hills 76
El Dorado Hills Chevron
Family Chevrolet Cad Oldsmobile
Gold Harvest Market
International Billing Srv
Jack in the Box
KMart
LTA Media Infotainment
Lee's Feed & Western Store
Lodi Lumber
Longs Drugs
Nor Cal Readymix
Officemax
Raleys
Safeway
Shingle Springs Honda
Shingle Springs Nissan Subaru
Supply One
Texaco
Tower Mart

Economy Expected to Keep on Humming

Local governments should expect a mild slowdown in the growth of sales tax from autos and consumer soft goods but a jump in revenues from "business-to-business" sales over the next few quarters if current economist predictions prove to be correct.

Although consumer confidence remains high, economists believe that the combination of higher fuel prices, higher mortgage and credit card payments and an increasingly capricious stock market will translate into more moderate spending patterns over the next few quarters. These expectations are being substantiated to some extent by preliminary Federal Reserve reports showing "flat to modestly higher" spending in late summer compared with the growth in spring and early summer spending that generated California's sales tax receipts for this quarter.

On the other hand, with a strong dollar and relatively high labor costs, businesses are expected to continue to spend on new technology and equipment that can raise productivity, reduce costs and help them compete globally. Recent surveys indicate that California businesses are extremely bullish about future prospects, particularly in the export and government markets, and most are contemplating significant expansion. This optimism, plus access to cheap credit from foreign investors parking their money in the U. S., should translate into higher than normal sales tax revenue during the immediate future for the Silicon Valley and other regions where "business-to-business" sales make up a significant portion of the tax base.

Sales tax from construction and

con't on back page

con't from front page

building materials is expected to be more regional specific. Concrete and materials associated with major public improvement and industrial projects as well as home construction supplies should be up in the Inland Empire, Central Valley and Sacramento regions. Lack of land and unaffordable home prices will translate into more moderate construction related spending in other parts of the state.

The current consensus forecast by the economists listed below is that California's retail sales for 2000 will exceed 1999 by 7.8%. Predictions for retail sales gains for 2001 over 2000 are as follows:

Chapman University	6.0%
L. A. County E.D.C.	6.0%
First Security Corp.	5.8%
Legislative Analyst	5.6%
UCLA	5.6%
Wells Fargo	5.0%
Consensus Forecast	5.5%

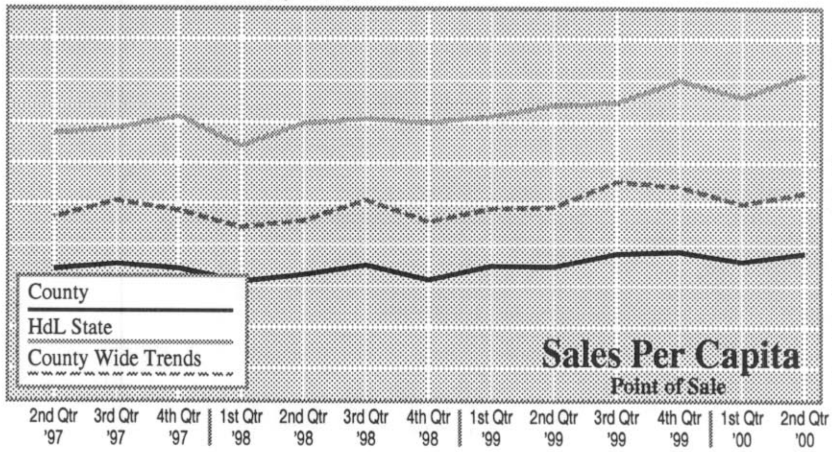
Source: Western Blue Chip Economist Forecast September 2000

E-Commerce Bills Nixed

AB2412 (Migden) which would have required internet retailers with affiliated "in-state" stores to collect sales tax was vetoed as possibly hurting the state's reputation as a dot-com incubator. Also vetoed was SB1949 (Costa) requiring participation with 26 other states to create a uniform tax and process. The Governor did sign SB1933 (Vasconcellos) forming a new commission to study the issue.

Fiscal Year To Date Revenue Comparison

	1999-00	2000-01
Point-of-Sale	1,247,724	1,420,525
County Pool	235,559	274,345
State Pool	11,343	3,361
Gross Receipts	1,494,626	1,698,231



Top 20 Business Categories

Business Type	2nd Qtr '00 Outlets	2nd Qtr '00 $	2nd Qtr '99 Outlets	2nd Qtr '99 $	Percent Change	% Of Total Unincorp	% Of Total County	% Of Total State
Service Stations	34	181,329	33	163,344	11.0%	12.8%	10.2%	6.1%
New Motor Vehicle Dealers	6	118,783	6	93,298	27.3%	8.4%	10.3%	11.8%
Contractors	125	94,265	129	82,055	14.9%	6.6%	4.4%	3.1%
Grocery Stores Liquor	10	89,133	11	85,478	4.3%	6.3%	7.5%	3.0%
Discount Dept Stores	13	74,715	13	43,103	73.3%	5.3%	4.1%	4.8%
Fast Food	98	64,714	98	61,257	5.6%	4.6%	5.6%	4.3%
Lumber/Building Materials	29	51,310	29	40,719	26.0%	3.6%	4.4%	4.1%
Grocery Stores Beer/Wine	22	48,342	21	36,989	30.7%	3.4%	2.7%	1.2%
Restaurants Beer And Wine	58	41,549	60	35,392	17.4%	2.9%	3.6%	2.3%
Light Industrial/Printers	147	40,891	143	28,608	42.9%	2.9%	2.0%	5.3%
Drug Stores	5	36,780	7	36,091	1.9%	2.6%	2.8%	1.3%
Automotive Supply Stores	50	33,423	47	29,512	13.3%	2.4%	2.2%	1.2%
Hardware Stores	14	32,940	16	33,095	-0.5%	2.3%	1.7%	0.6%
Specialty Stores	495	32,064	467	25,254	27.0%	2.3%	2.2%	3.2%
Restaurants Liquor	35	29,335	38	26,843	9.3%	2.1%	3.7%	2.8%
Auto Repair Shops	111	29,125	112	35,370	-17.7%	2.1%	1.9%	1.1%
Business Services	161	27,186	162	36,976	-26.5%	1.9%	1.3%	2.3%
Sporting Goods/Bike Stores	61	24,128	57	16,268	48.3%	1.7%	1.8%	0.8%
Drugs/Chemicals	15	23,811	16	17,717	34.4%	1.7%	0.9%	1.0%
Petroleum Prod/Equipment	10	23,183	9	16,666	39.1%	1.6%	3.0%	1.1%
Retail Stores	1,619	1,038,374	1,546	902,228	15.1%	73.1%	78.6%	71.5%
Non-Store/Part Time Retailers	1,326	35,948	1,498	37,719	-4.7%	2.5%	1.8%	0.9%
Business, Service & Repairs	646	117,310	640	126,598	-7.3%	8.3%	7.5%	9.0%
All Other Outlets (Industrial)	639	228,894	628	181,178	26.3%	16.1%	12.2%	18.6%
Total All Accounts	4,230	1,420,525	4,312	1,247,724	13.8%			
County & State Pool Allocation		277,706		246,902	12.5%			
Gross Receipts		1,698,231		1,494,626	13.6%			