

Q1 2016



El Dorado County Sales Tax *Update*

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

El Dorado County In Brief

The unincorporated area's receipts from January through March were 3.9% above the first sales period in 2015.

Continuing positive winter conditions boosted sales in several general retail sectors particularly sporting goods/bike stores and specialty stores. Despite multiple adjustments that depressed returns in restaurants and hotels, this group rose 7.3% once these onetime events were removed. Resort-related sectors posted stellar results compared to a year ago.

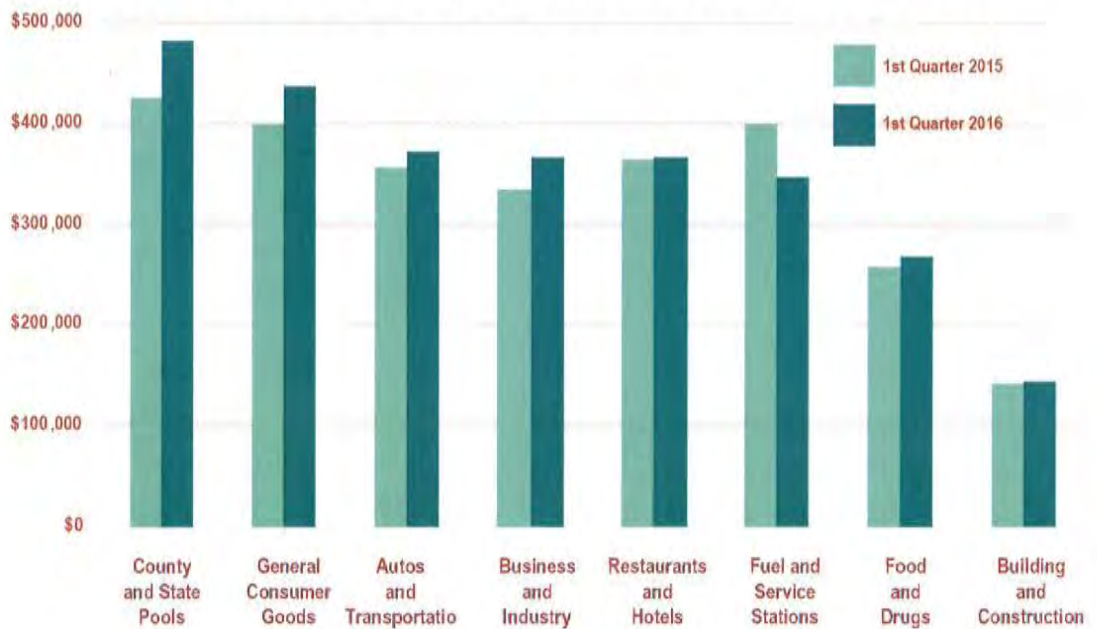
The spike in business services pushed up returns in business and industry while recent openings boosted receipts in autos and transportation.

In addition, the increase in the countywide use tax allocation pool was a significant factor in the overall gain in gross receipts.

The decline in fuel and service stations due to lower fuel prices was overstated by temporary deviations.

Net of aberrations, taxable sales for all of El Dorado County grew 7.2% over the comparable time period; the Sacramento region was up 4.2%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Cameron Park Petroleum	Meeks Building Center
Chevron	Mercedes Benz of El Dorado Hills
Circle K 76	My Goods Market
Crystal View Shell	Safeway
CVS	Safeway Fuel
Daimler Trust	Shell
DST Innovis	Shingle Springs Honda
Eyep Solutions	Shingle Springs Nissan Subaru
Frontier Dental Labs	Sierra at Tahoe
Heavenly Sports Main Lodge	Target
Heavenly Valley Cal Base Lodge	TJ Maxx
Lees Feed & Western Store	Walmart
McDonalds	

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2014-15	2015-16
Point-of-Sale	\$9,717,593	\$9,930,726
County Pool	1,884,529	2,039,949
State Pool	6,792	7,516
Gross Receipts	\$11,608,915	\$11,978,191
Less Triple Flip*	\$(2,902,229)	\$(2,298,734)

*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.

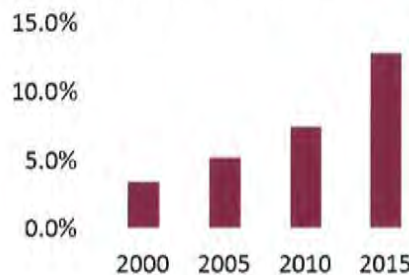
According to Forrester Research, Amazon accounted for 60% of total online sales growth in 2015.

Though the online share of overall sales

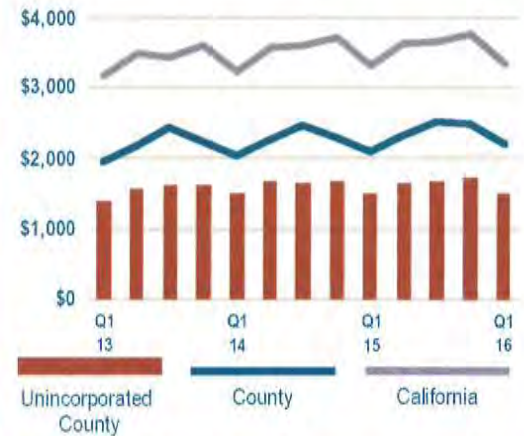
remains relatively modest, the year-over-year growth rate indicates a major shift in retailing is well underway. In response, more and more traditional brick and mortar retailers are opening online sales channels in recognition of this growing trend largely powered by younger buyers.

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.

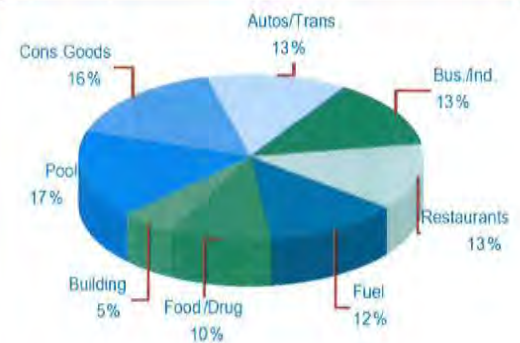
**Online General Consumer Goods
YOY Percentage Growth**



SALES PER CAPITA



**REVENUE BY BUSINESS GROUP
El Dorado Co. Uninc This Quarter**



EL DORADO COUNTY TOP 15 BUSINESS TYPES

Business Type	*In thousands of dollars			
	Unincorporated County Q1 '16*	Change	County Change	HdL State Change
Auto Repair Shops	53.4	14.3%	14.8%	7.4%
Automotive Supply Stores	53.8	-0.3%	2.7%	4.8%
Business Services	119.0	23.3%	22.5%	-7.2%
Casual Dining	181.8	-13.8%	0.8%	5.8%
Contractors	58.8	-9.8%	-5.7%	1.7%
Discount Dept Stores	— CONFIDENTIAL —		-3.1%	-0.3%
Garden/Agricultural Supplies	50.3	-0.9%	8.8%	0.1%
Grocery Stores Liquor	145.0	4.0%	6.2%	1.6%
Hotels-Liquor	— CONFIDENTIAL —		20.3%	3.9%
Light Industrial/Printers	47.6	-10.4%	-3.9%	-1.7%
New Motor Vehicle Dealers	— CONFIDENTIAL —		5.9%	3.1%
Quick-Service Restaurants	89.7	14.6%	18.2%	6.4%
Service Stations	320.3	-11.8%	-7.7%	-9.3%
Specialty Stores	50.3	3.1%	7.1%	3.4%
Sporting Goods/Bike Stores	54.8	69.2%	94.5%	1.4%
Total All Accounts	2,300.6	2.1%	5.8%	1.8%
County & State Pool Allocation	482.7	13.7%	17.9%	14.1%
Gross Receipts	2,783.3	3.9%	7.7%	3.2%