

City of Fort Bragg Q1 2023 Sales Tax Update



Tom Adams

August 24, 2023

Sales Tax Performance & Comparisons



Top 25 Sales Tax Producers (~ 66% of total local businesses sales tax revenue)

BOATYARD TOBACCO
BREWERY SHOP
CANCLINI TV & APPLIANCE
CHEVRON SERVICE STATIONS
CVS/PHARMACY
DAVID'S DELI
DENNY'S RESTAURANTS
DOLLAR TREE STORES
EMERALD TRIANGLE CANNABIS
GEO AGGREGATES
HARVEST MARKET
KEMPPE LIQUID GAS

MCDONALD'S RESTAURANTS
MENDO MILL & LUMBER COMPA
NOYO HARBOR INN
O'REILLY AUTO PARTS
REDWOOD COAST FUELS
RESTAURANTE LOS GALLITOS
RINO SERVICE STATIONS
RITE AID DRUG STORES
ROSSI BUILDING MATERIALS
SAFEWAY STORES
SINCLAIR SERVICE STATIONS
SPORT CHRYSLER-JEEP-DODGE
TACO BELL

City of Fort Bragg

Local Business Sales Tax Drivers

Primary Drivers

- **Food (Markets & Restaurants): 33%**
- **Transportation (Auto Sales & Gas Stations): 21%**
- **Retail: 20%**
- **Construction: 17%**
- **Business to Business: 8%**

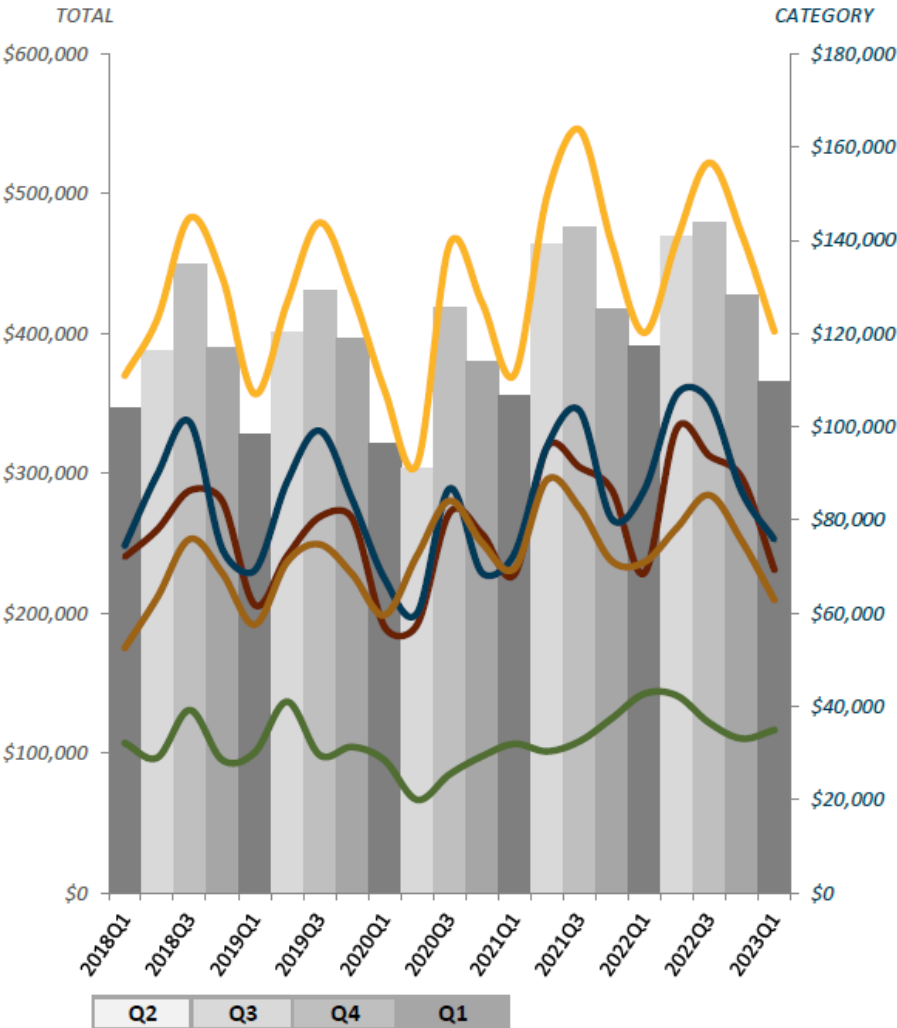
Others

- **Miscellaneous: 1%**

Fort Bragg 1% Sales Tax Performance

	YE 2019Q1	YE 2020Q1	YE 2021Q1	YE 2022Q1	YE 2023Q1
Total Receipts	\$1,770,876	\$1,707,450	\$1,817,410	\$2,128,296	\$2,077,141
Net Pools/Admin/Adj	\$216,445	\$158,257	\$360,332	\$380,684	\$336,032
Local Businesses	\$1,554,430	\$1,549,193	\$1,457,077	\$1,747,612	\$1,741,109
General Retail	\$310,050	\$290,347	\$284,407	\$341,912	\$351,752
Food Products	\$506,986	\$506,984	\$468,739	\$572,358	\$558,363
Restaurants	275,877	267,548	219,901	318,745	305,871
Transportation	\$333,716	\$339,123	\$288,202	\$365,879	\$374,348
Service Stations	184,203	199,547	166,140	229,417	253,345
Construction	\$265,431	\$273,761	\$301,151	\$313,371	\$301,975
Business To Business	\$126,905	\$130,362	\$106,741	\$143,065	\$146,851
Miscellaneous	\$11,342	\$8,616	\$7,837	\$11,028	\$7,820

Fort Bragg – Q1 Economic Performance



TOTAL				
2023Q1	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$365,157	-6.5%	-\$25,549	-0.4%	-\$6,727

GENERAL RETAIL				
2023Q1	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$69,347	1.1%	\$722	2.9%	\$9,839
% of 2023Q1 Total:		19.0%		

FOOD PRODUCTS				
2023Q1	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$120,461	0.3%	\$326	-2.4%	-\$13,995
% of Total:		33.0%		

TRANSPORTATION				
2023Q1	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$75,788	-12.4%	-\$10,700	2.3%	\$8,469
% of Total:		20.8%		

CONSTRUCTION				
2023Q1	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$62,875	-11.4%	-\$8,088	-3.6%	-\$11,396
% of Total:		17.2%		

BUSINESS TO BUSINESS				
2023Q1	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$34,940	-18.2%	-\$7,780	2.6%	\$3,786
% of Total:		9.6%		

QoQ = 23Q1 / 22Q1

YoY = YE 23Q1 / YE 22Q1



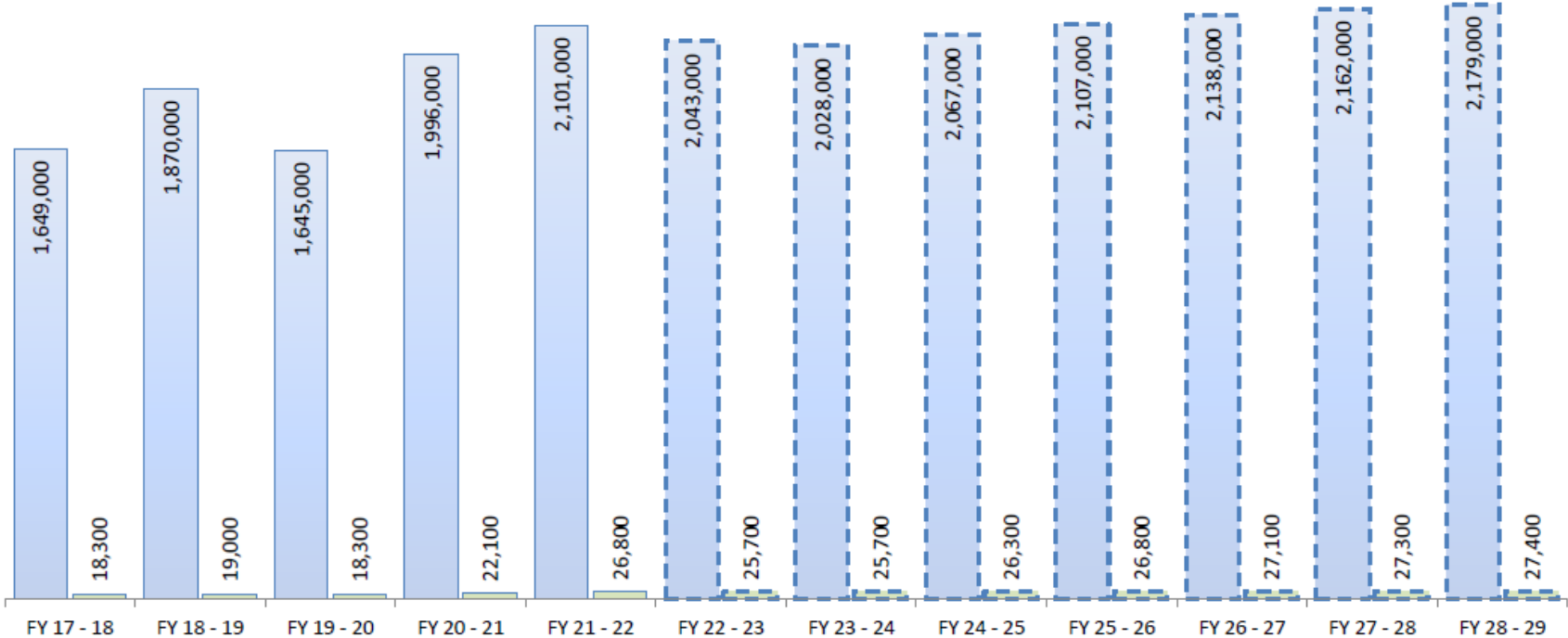
Sales Tax Future?



Fort Bragg 1% Sales Tax Forecast

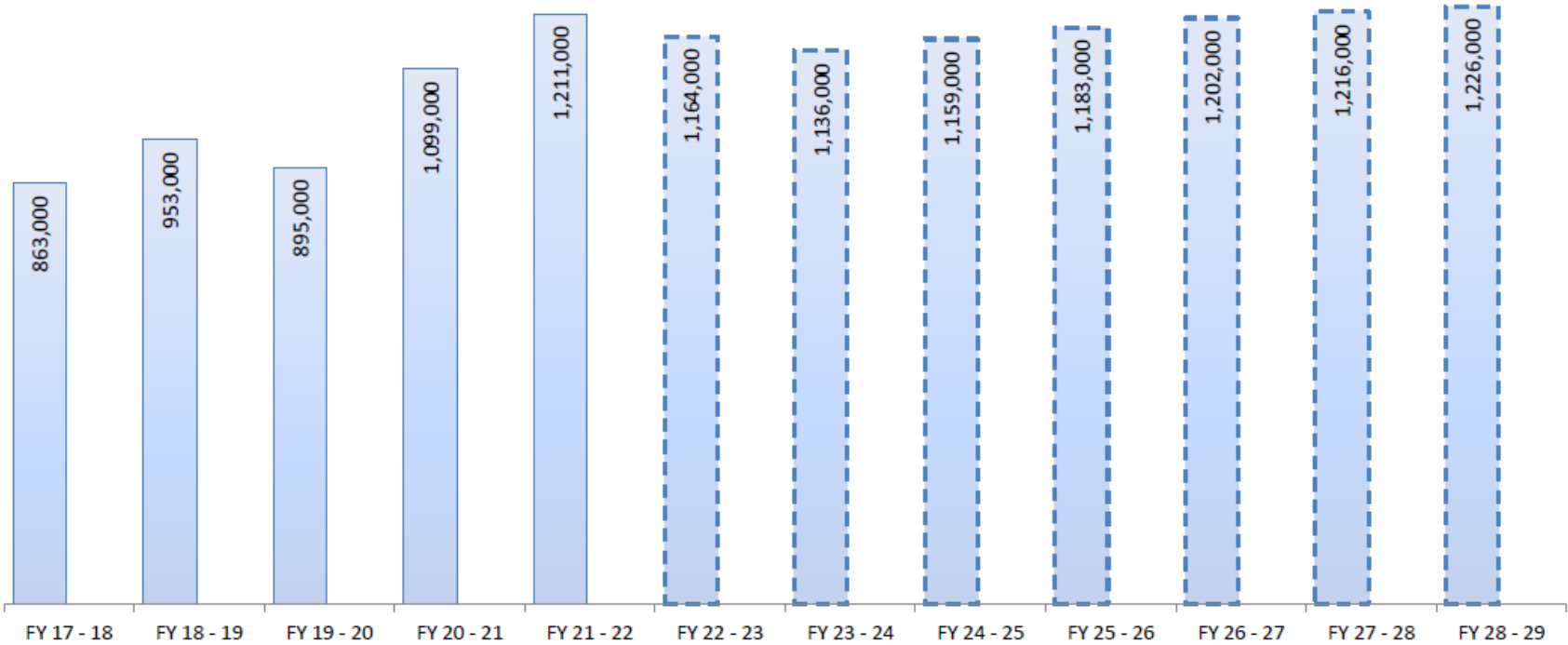
Bradley Burns	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	FY 28 - 29
Cash Projection	2,101,000	2,043,000	2,028,000	2,067,000	2,107,000	2,138,000	2,162,000	2,179,000
Percent Change	5.3%	-2.8%	-0.7%	1.9%	1.9%	1.5%	1.1%	0.8%

Prop 172	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	FY 28 - 29
Cash Projection	26,800	25,700	25,700	26,300	26,800	27,100	27,300	27,400
Percent Change	21.3%	-4.1%	0.0%	2.3%	1.9%	1.1%	0.7%	0.4%



Fort Bragg 1/2% 'Add-on' Forecast

Voter Approved	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	FY 28 - 29
Cash Projection	1,211,000	1,164,000	1,136,000	1,159,000	1,183,000	1,202,000	1,216,000	1,226,000
Percent Change	10.2%	-3.9%	-2.4%	2.0%	2.1%	1.6%	1.2%	0.8%



Sales Tax Future – Uncertainty...

- **Recent Pandemic Recession was Different** – Primary impacts : restaurants, gas, apparel
- **Regional Impacts Vary** – Greater Impact on areas reliant on International Tourism, Business Travel, Office Workers
- **Uncertain Economic Pathway** – Inflation, Interest Rates, Consumer Behavior, Unemployment Trends, Global Geopolitics, Energy Markets, Commercial Real Estate, Student Loan Debt, etc.
- **Is a mild Recession Looming in the Near Future?**
- **When will we Reach the ‘New Normal’?**

Legislative Activity – Session Highlights

- AB 52 (Grayson) – A similar bill to expand the exemption for research and development and manufacturing equipment was vetoed by the Governor last year. This year the bill has removed the impact on local government portion of sales tax and it will move forward.
- SB 584 (Limon) Labor force housing and Short Term Rental Tax – this bill would have imposed statewide 15% Transient Occupancy Tax (TOT). This bill has been shelved and will not move forward.
- Various bonds related to homelessness, affordable housing, climate change, and other topics are jockeying for position for either the March or November ballots.
- Legislature will be quite active for the next month until the Sept. 14 deadline to send bills to Governor and then Oct. 14 deadline for Governor to sign or veto bills.

Thank you...Questions?