



Santa Ana

Quarterly Sales Tax and Business Activity

Sales Tax

Top 25

- BEACON SERVICE STATIONS
- BUILDERS SURPLUS
- CALIFORNIA MOTORS DIRECT
- COMMONWEALTH AUDI / VW
- CONSOLIDATED ELECTRICAL
- CREVIER BMW / MINI
- FINANCIAL SERVICES VEHICLE
- GUARANTY CHEVROLET
- HD SUPPLY
- HOME DEPOT
- HONDA SANTA ANA
- IPC
- KLASS MOTORS
- MACY'S
- MAIN ELECTRIC SUPPLY
- NORDSTROM
- NORTHGATE MARKET
- ROGER DUNN GOLF
- ROSS
- SAF - T - CO
- TARGET
- WAL MART
- WALTER'S WHOLES ELECTRIC
- WAXIE SANITARY SUPPLY
- XEROX

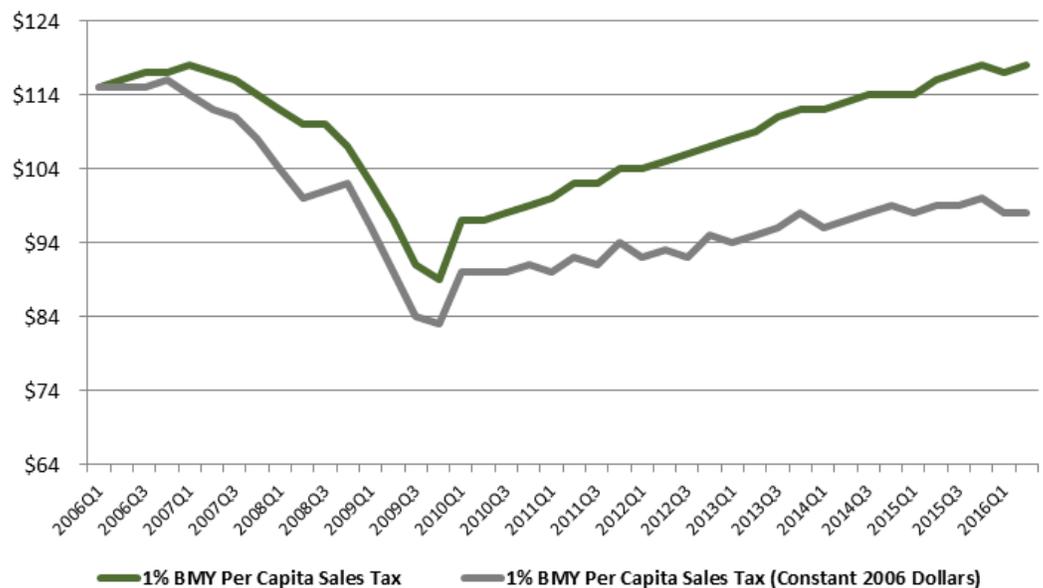
2nd Quarter 2016 in Review

California sales tax receipts increased by 1.2% over the same quarter from last year. After adjusting for county and state pool receipts, the City's sales tax revenue grew by 12.9% or \$150,938,000 in taxable sales.

Cash Receipts	Quarter	Fiscal YTD	Calendar YTD
Santa Ana	12.9%	12.9%	9.6%
Santa Ana County Pool	94.0%	94.0%	57.3%
Orange Countywide	-14.8%	-14.8%	-6.6%
South Coast Region	-1.8%	-1.8%	0.0%
Statewide	1.2%	1.2%	1.9%

Santa Ana can expect continued quarter over quarter growth, partly due to a new energy-related source of sales tax revenue. Except for the statewide percentages, all of the percentages above were greatly impacted by a retroactive one-time correction for -\$31.3 million that was made against Buena Park this quarter involving a major online retailer. This caused the Orange County Pool to increase and each city's portion of the County Pool, (except Buena Park), temporarily increased greatly as well. The Orange Countywide and South Coast Regional sales tax totals were also negatively impacted by a large portion of the correction that went to other counties throughout California.

The Impact of Inflation on Annual Per Capita Sales Tax Revenue



2016Q2 1% BMY Per Capita Sales Tax	\$118
2016Q2 1% BMY Per Capita Sales Tax (2006 Dollars)	\$98

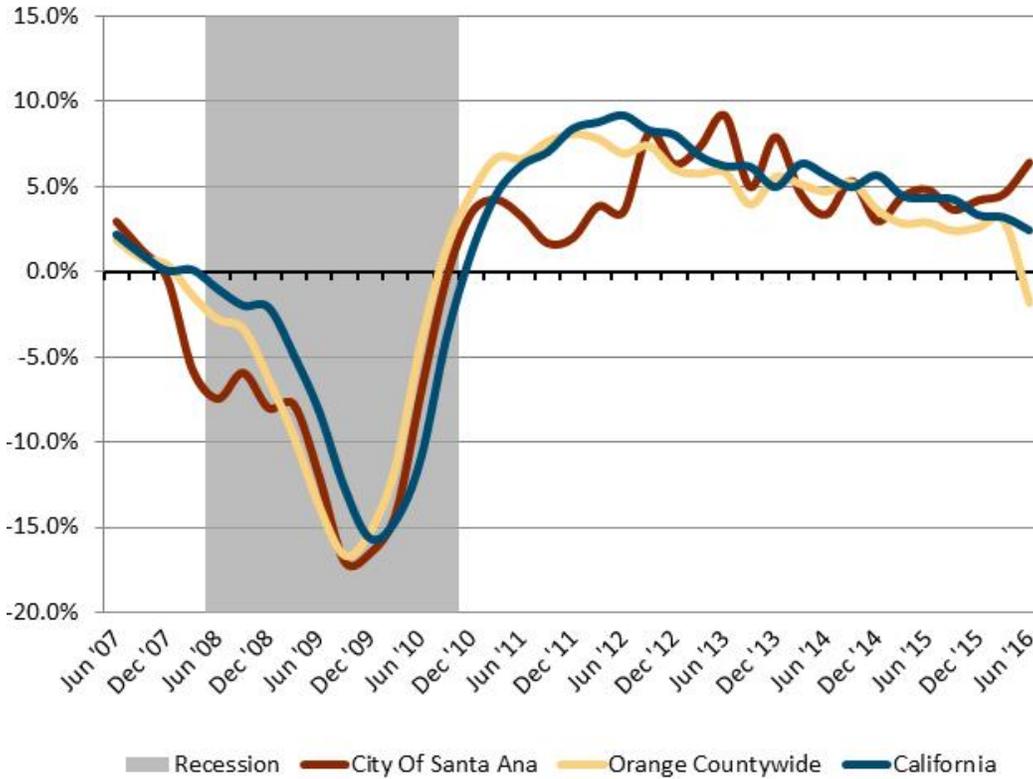
-16.9% Percent Difference



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Annualized Change in Sales Tax Cash Receipts



What Affects Sales Tax Revenue?

- Fluctuations in commodity prices like Gasoline, Diesel and Fuel Oil
- Rising prices of housing and medical care in California that leave less disposable income for taxable sales
- Interest rates and the cost of financing
- Growth in online retail at rapid rates and lack of legislation that provides consistent and effective collection and enforcement
- Changes in neighboring jurisdictions which lead to additional capture or leakage of sales tax revenues
- Large businesses moving their operations, headquarters or physical distribution to other jurisdictions to adapt to economic change and increase profits
- Globalization and global competition
- Fluctuations in currency exchange rates which affect levels of foreign tourism and migrant labor / consumers
- Financial crisis in the banking and investment communities
- Statewide, Nationwide and Global recessions
- International conflicts affecting tourism and imports / exports

Business Activity	Apr'15 - Jun'15 to Apr'16 - Jun'16			Jul'14 - Jun'15 to Jul'15 - Jun'16		
	Santa Ana	South Coast	Statewide	Santa Ana	South Coast	Statewide
Total	3.0%	-0.2%	0.8%	3.8%	1.8%	2.5%
General Retail	1.4%	-0.2%	1.0%	3.5%	2.2%	2.6%
Food Products	4.1%	4.0%	3.9%	5.2%	5.1%	5.0%
Transportation	-6.0%	-6.0%	-3.7%	-2.0%	-0.5%	-0.2%
Construction	11.4%	3.9%	4.1%	11.1%	5.8%	7.6%
Business To Business	9.0%	-0.2%	0.9%	4.9%	-2.1%	-0.1%
Restaurants	5.7%	5.2%	5.1%	6.7%	6.2%	6.1%
Bldg.Matls-Whsle	16.5%	5.9%	6.1%	14.5%	6.3%	10.0%
Auto Sales - New	-0.4%	1.1%	2.6%	-5.1%	4.9%	5.7%
Service Stations	-20.8%	-19.4%	-16.4%	-13.0%	-11.4%	-12.1%
Department Stores	2.6%	-1.1%	-1.0%	1.1%	0.4%	0.5%
Misc Retail	-8.6%	-2.1%	0.9%	0.5%	2.4%	3.8%
Apparel Stores	0.7%	2.1%	2.8%	3.2%	2.2%	2.6%
Food Markets	0.8%	-0.6%	-0.1%	1.1%	1.2%	1.3%
Bldg.Matls-Retail	3.2%	1.9%	1.9%	5.6%	5.3%	4.9%
Light Industry	1.5%	-1.3%	5.4%	-1.1%	0.2%	4.3%
Auto Parts/Repair	1.8%	-2.1%	0.9%	9.2%	2.8%	4.0%
Auto Sales - Used	-1.9%	4.2%	8.8%	16.0%	8.8%	11.2%
Leasing	5.4%	7.6%	6.5%	18.8%	6.1%	8.7%
Heavy Industry	-2.9%	3.8%	0.5%	5.8%	5.4%	2.6%