



Orange County Transportation Authority

Measure M2 and TDA Forecast Review

Fran Mancia

Vice President of Government Relations

Fran.Mancia@AvenuInsights.com

Tom Adams

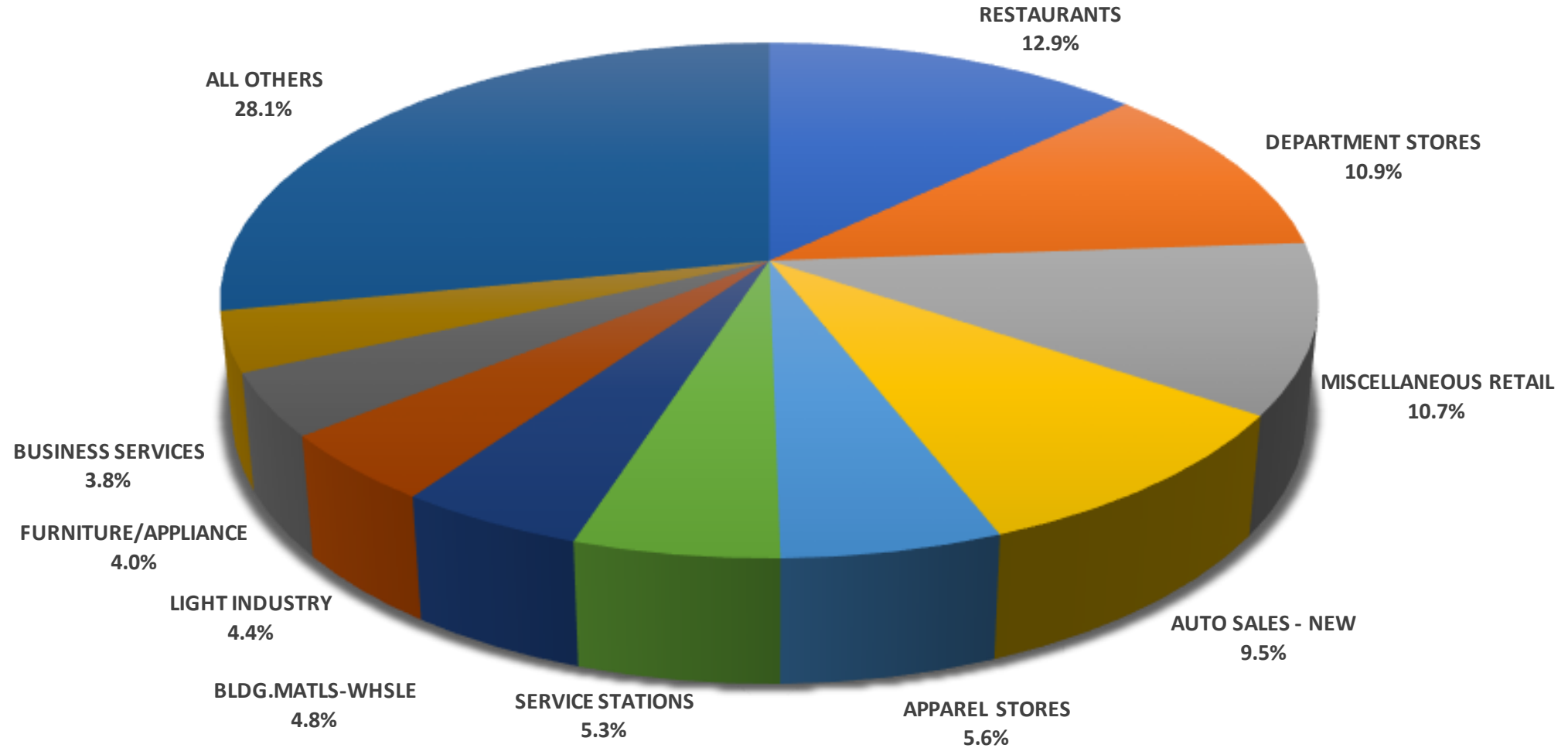
Client Success Manager

Thomas.Adams@AvenuInsights.com

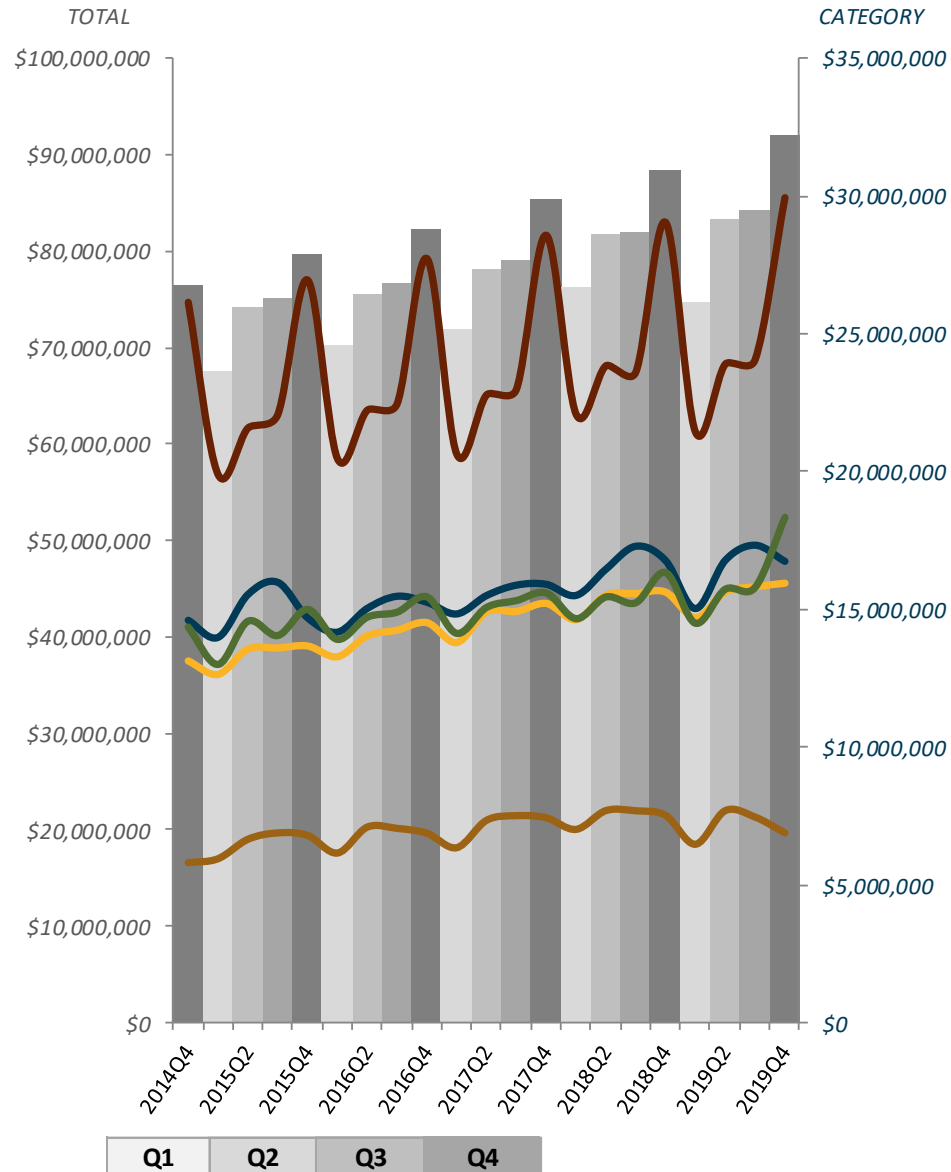
May 27, 2020

- Top Segments, Quarterly Performance, & Top 25 Businesses
- Sales Tax Revenues Compared to Income
- Employment Compared to Sales Tax per Capita
- Coronavirus Impacts
- Forecast Assumptions and Projections

Top 10 Segments



Quarterly Performance



TOTAL	Calendar Year Quarters				
2019Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ	
\$91,910,886	4.0%	\$3,551,935	1.8%	\$5,849,352	
GENERAL RETAIL					
2019Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ	
\$29,922,238	3.1%	\$895,740	0.8%	\$764,167	
% of 2019Q4 Total:		32.6%			
FOOD PRODUCTS					
2019Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ	
\$15,956,695	2.1%	\$326,017	1.3%	\$771,019	
% of Total:		17.4%			
TRANSPORTATION					
2019Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ	
\$16,715,871	-0.2%	-\$28,141	-0.2%	-\$148,754	
% of Total:		18.2%			
CONSTRUCTION					
2019Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ	
\$6,903,744	-8.4%	-\$632,578	-4.7%	-\$1,396,939	
% of Total:		7.5%			
BUSINESS TO BUSINESS					
2019Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ	
\$18,334,422	12.2%	\$1,990,424	4.3%	\$2,657,303	
% of Total:		19.9%			

QoQ = 19Q4 / 18Q4

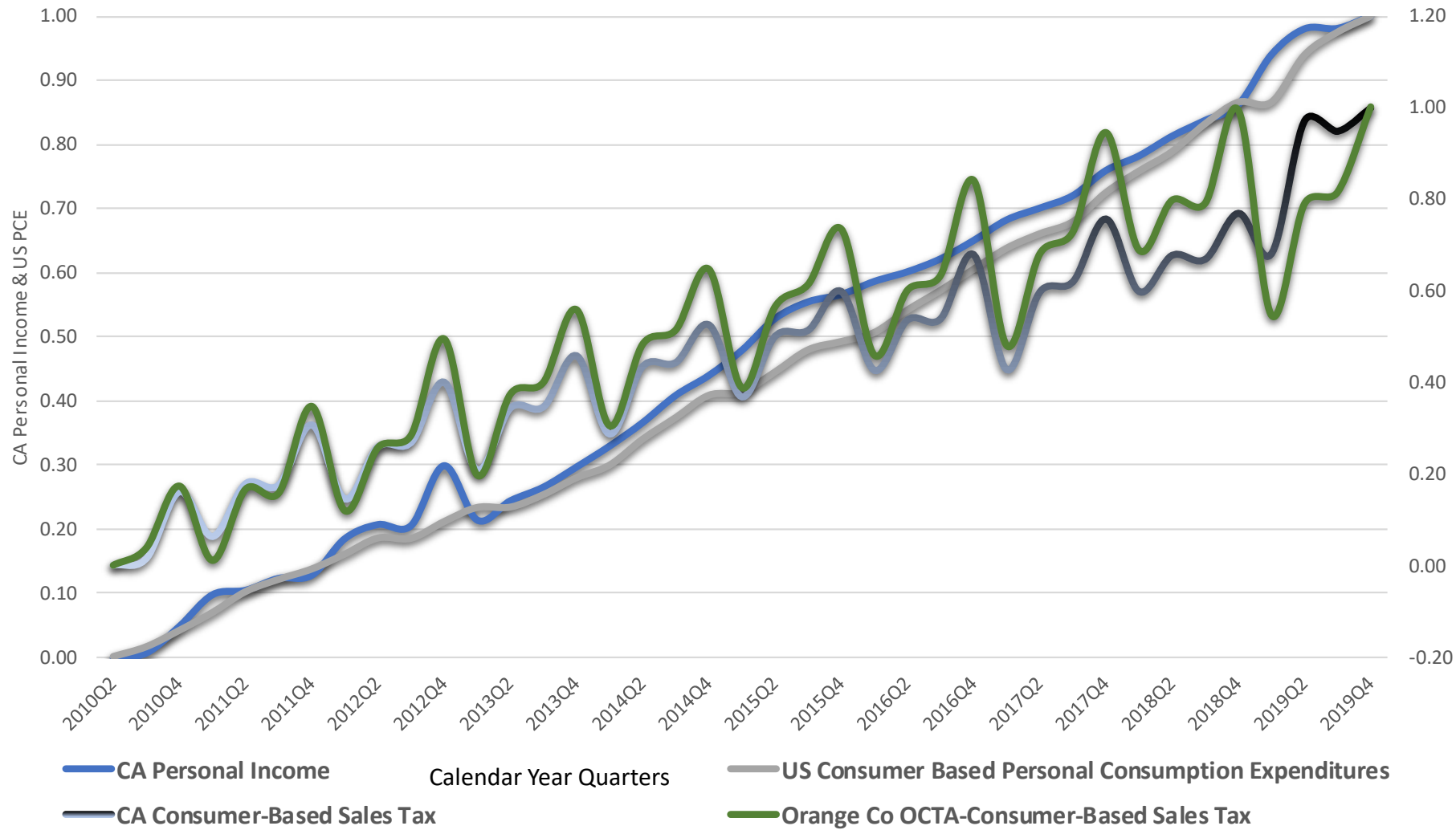
YoY = YE 19Q4 / YE 18Q4

Top 25 Sales Tax Generators (Alphabetical Order)

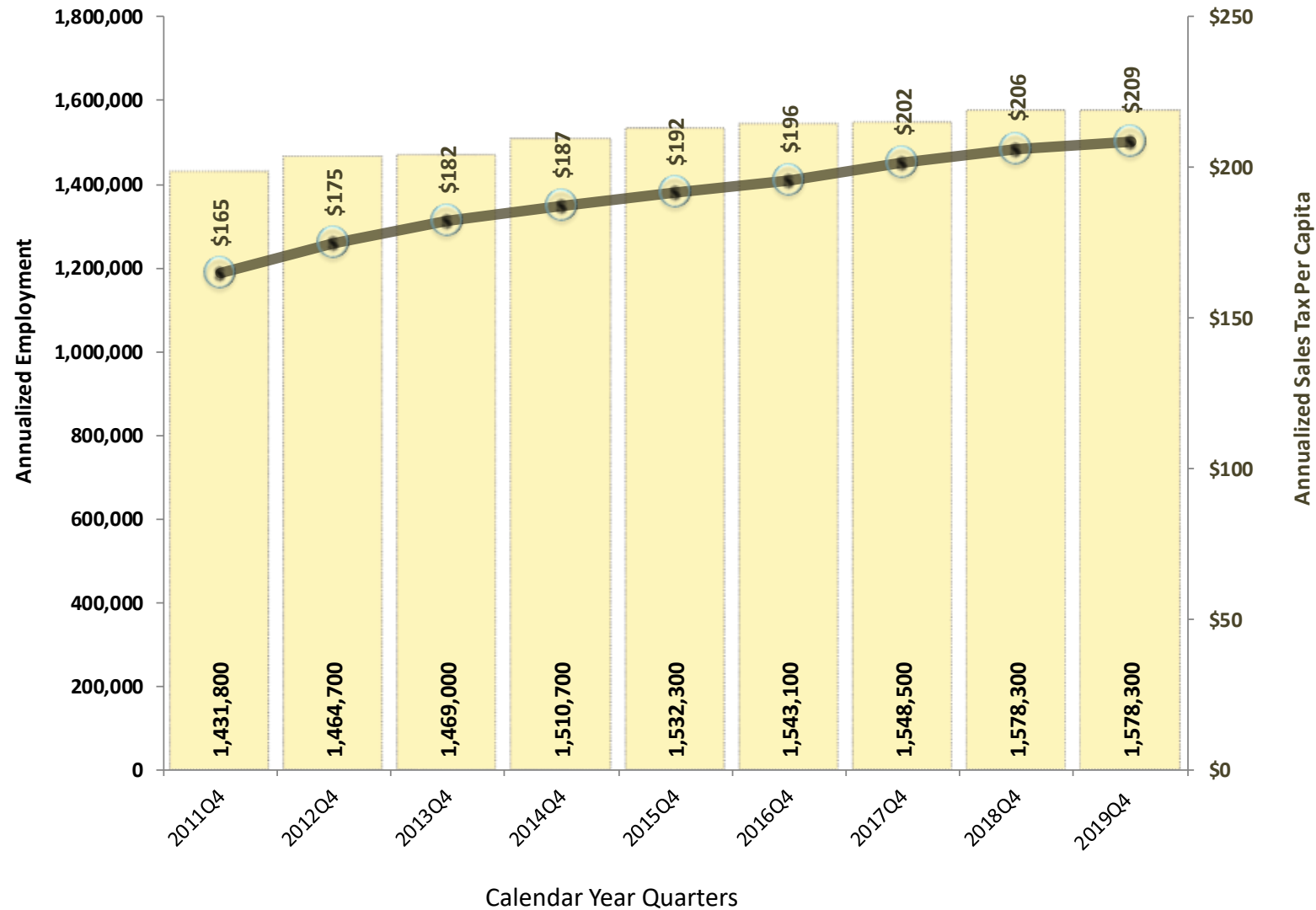
- AMAZON SERVICES
- AMAZON.COM
- APPLE STORES
- ARCO AM/PM STORES
- BEST BUY STORES
- CARMAX AUTO SUPERSTORES
- CHEVRON SERVICE STATIONS
- CIRCLE K FOOD STORES
- COSTCO WHOLESALE
- CVS PHARMACY
- DEPT OF MOTOR VEHICLES ALLOCATION ACCOUNT
- DISNEYLAND
- ENTERPRISE RENT-A-CAR

- G&M OIL CO.
- HOME DEPOT
- LOWE'S HOME CENTERS
- MACY'S DEPARTMENT STORES
- MCDONALD'S RESTAURANTS
- NORDSTROM DEPARTMENT STORE
- RALPH'S GROCERY COMPANY
- ROSS STORES
- SHELL SERVICE STATIONS
- TARGET STORES
- TESLA
- WAL MART STORES

Sales Tax Revenues Compared to Income



Employment Compared to Sales Tax Per Capita



Time of Uncertainty

- When will testing, treatment, vaccine be available?
- How long will social distancing remain in place?
- How will federal stimulus impact the economy?
- How will consumer behavior change?
- How many businesses might close?
- How quickly will the United States economy recover?

State Sales Tax Programs

- Allows for extension of filing sales tax for 90 days
- Deferral Program allows small businesses to defer up to \$50,000 until next fiscal year
- Impact: some FY 19-20 revenue will defer into FY 20-21
- Overall impact will depend on participation and deferral amounts. Estimate is \$15 to \$20 million deferred for M2 (\$22.5M to \$30M combined for M2 and TDA)

Sales Tax Forecast Assumptions

While the Future is Uncertain, Assumptions must be made:

- Sheltering will end by June 30 and consumers will adjust to social distancing rules
- Another re-sheltering period will not take place in the Fall
- A Vaccine will be created and become available in 2021/22
- Testing will become faster and more widely available
- Federal stimulus and monetary policies will help economic recovery and help avoid some business closures

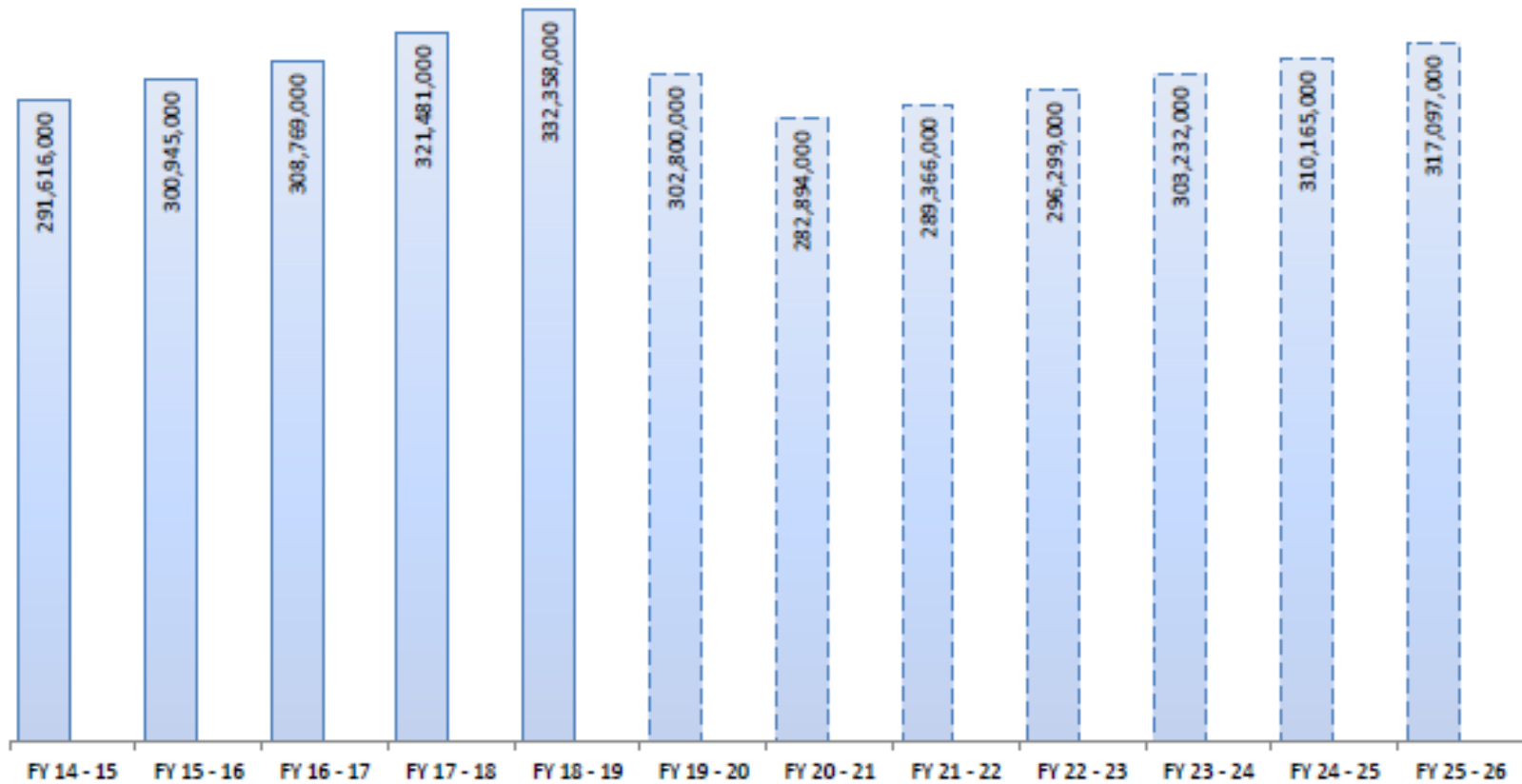
Sales Tax Forecast Baseline Assumptions

Adjustments are 2020 Calendar Year Quarter over 2019 Quarter

- 2020Q1: 8.3% decline
- 2020Q2: 25.7% decline
- 2020Q3: 17.1% decline
- 2020Q4: 12.9% decline
- 2021Q1: 8.6% decline
- “Dampened” growth rates in 2021 and 2022

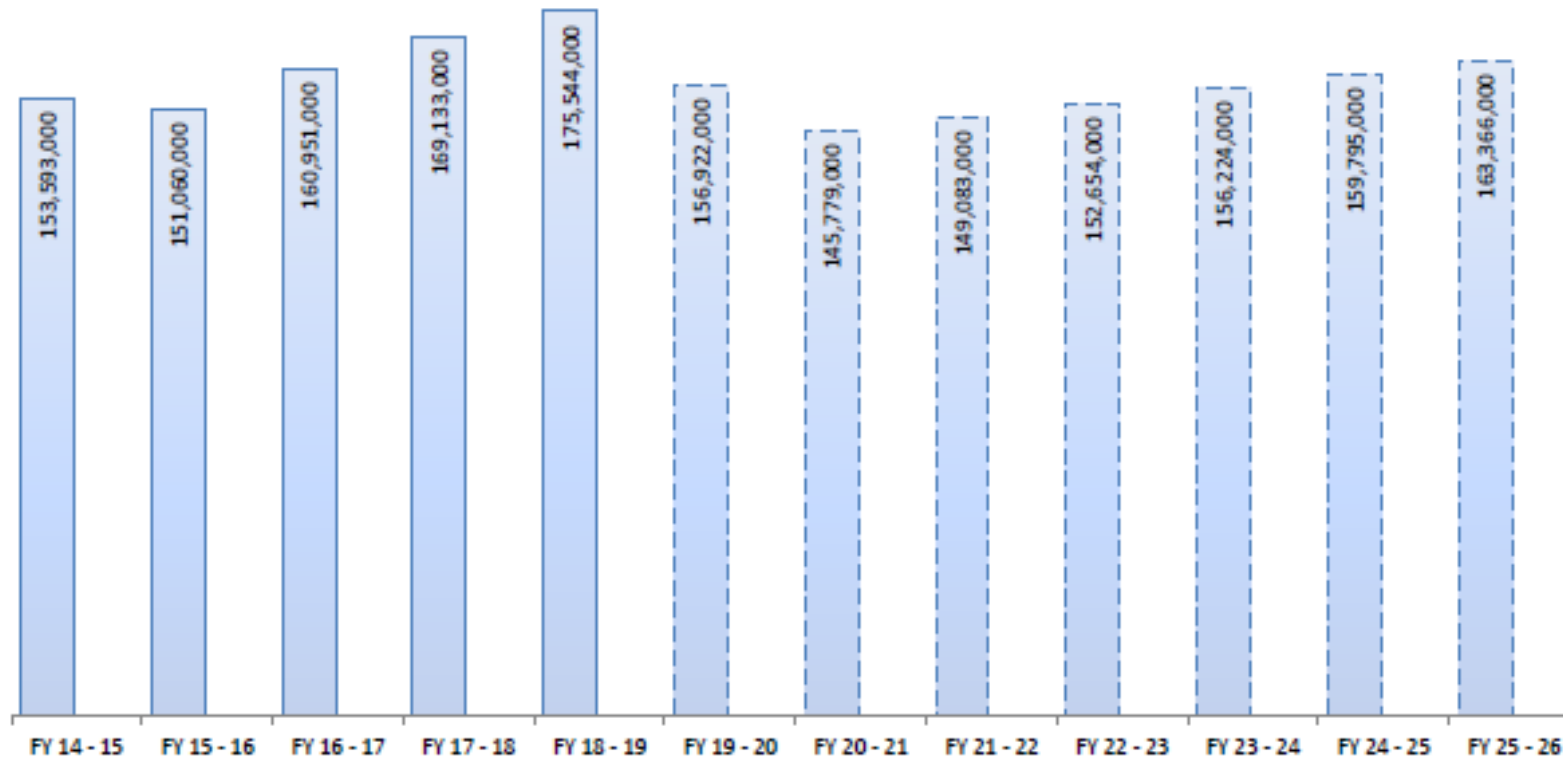
Measure M2 (1/2%) Forecast Projections

Voter Approved	FY 18 - 19	FY 19 - 20	FY 20 - 21	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26
Cash Projection	332,358,000	302,800,000	282,894,000	289,366,000	296,299,000	303,232,000	310,165,000	317,097,000
Percent Change	3.4%	-8.9%	-6.6%	2.3%	2.4%	2.3%	2.3%	2.2%



TDA (LTF) 1/4% Forecast Projections

County Transportation	FY 18 - 19	FY 19 - 20	FY 20 - 21	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26
Cash Projection	175,544,000	156,922,000	145,779,000	149,083,000	152,654,000	156,224,000	159,795,000	163,366,000
Percent Change	3.8%	-10.6%	-7.1%	2.3%	2.4%	2.3%	2.3%	2.2%



QUESTIONS?