

Orange County Transportation Authority

Measure M2 and TDA Forecast Review

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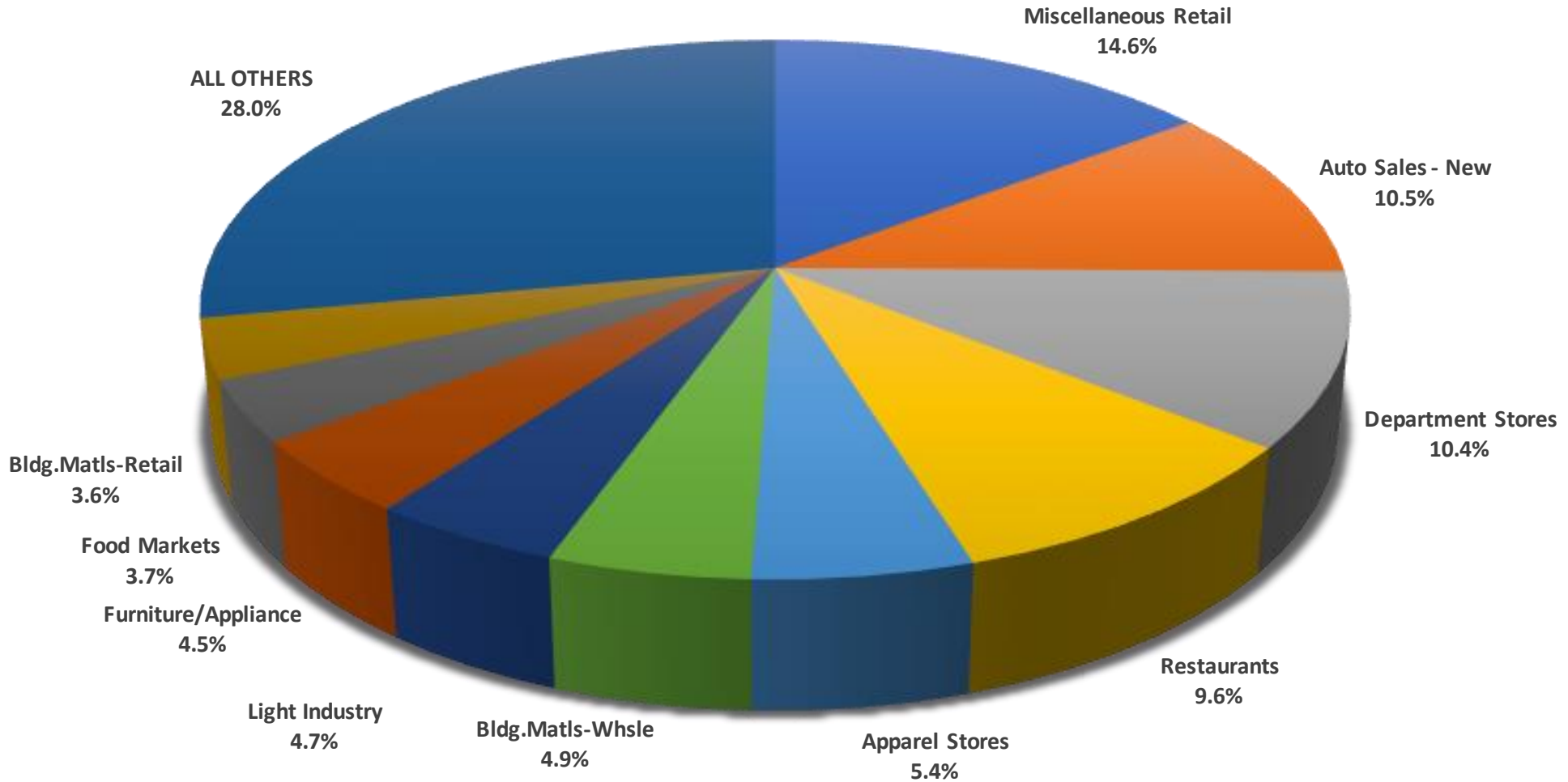
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May 2021 Update

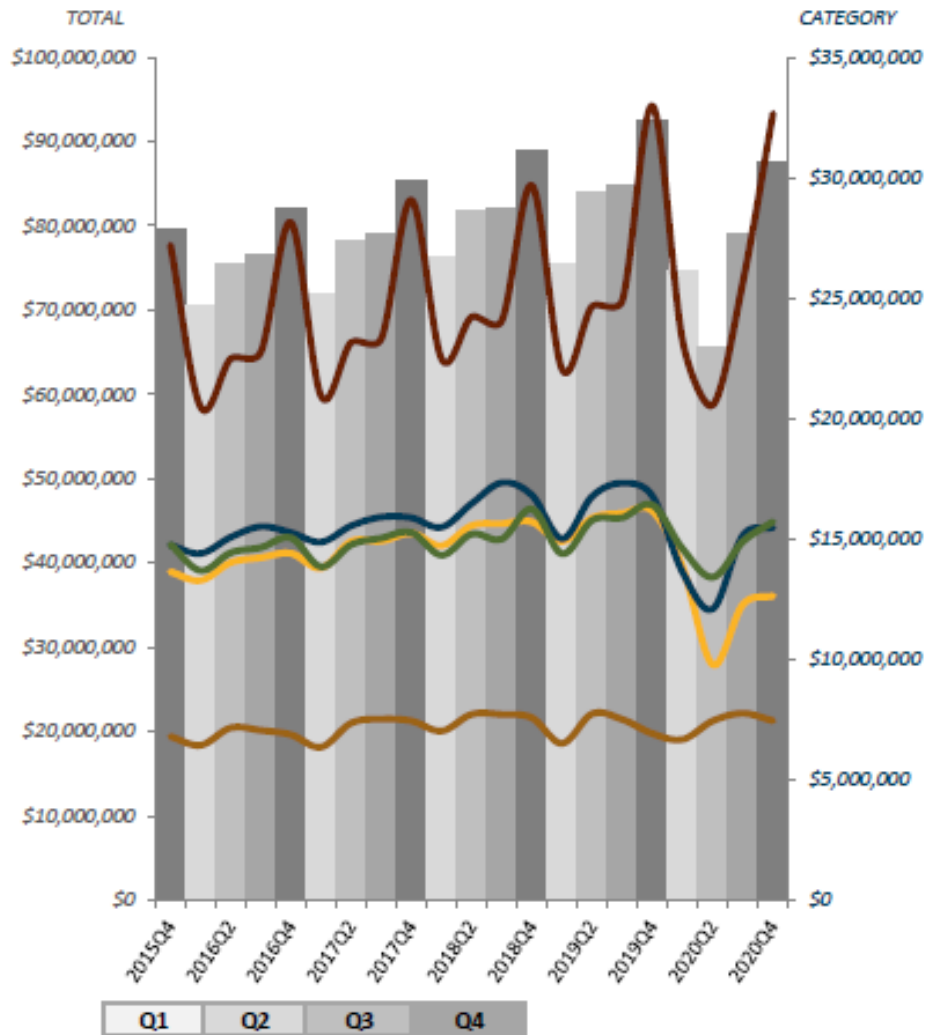
Agenda

- 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 Recovery Projections

Top 10 Segments



Quarterly Performance



Calendar Year Quarters				
TOTAL	2020Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ
	\$87,426,786	-5.4%	-\$4,993,175	-8.8%

GENERAL RETAIL				
	2020Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ
	\$32,668,783	-0.9%	-\$302,916	-2.4%
% of 2020Q4 Total:		37.4%		

FOOD PRODUCTS				
	2020Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ
	\$12,635,420	-21.8%	-\$3,522,767	-23.0%
% of Total:		14.5%		

TRANSPORTATION				
	2020Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ
	\$15,469,354	-7.8%	-\$1,302,959	-14.5%
% of Total:		17.7%		

CONSTRUCTION				
	2020Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ
	\$7,448,353	7.8%	\$535,915	2.3%
% of Total:		8.5%		

BUSINESS TO BUSINESS				
	2020Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ
	\$15,716,716	-4.2%	-\$686,821	-6.2%
% of Total:		18.0%		

QoQ = 20Q4 / 19Q4

YoY = YE 20Q4 / YE 19Q4

Top 25 Sales Tax Generators (Alpha Order)

AMAZON.COM - EC

AMAZON.COM SERVICES - EC

APPLE STORES

ARCO AM/PM MINI MARTS

BEST BUY STORES

BESTBUY.COM - EC

CHEVRON SERVICE STATIONS

COSTCO WHOLESALE

DEPT OF MOTOR VEHICLES

DISNEYLAND

EBAY - EC

GANAHL LUMBER COMPANY

HOME DEPOT

LOWE'S HOME CENTERS

MCDONALD'S RESTAURANTS

NORDSTROM DEPARTMENT STORE

RALPH'S GROCERY COMPANY

SHELL SERVICE STATIONS

STATER BROS MARKETS

TARGET STORES

TESLA

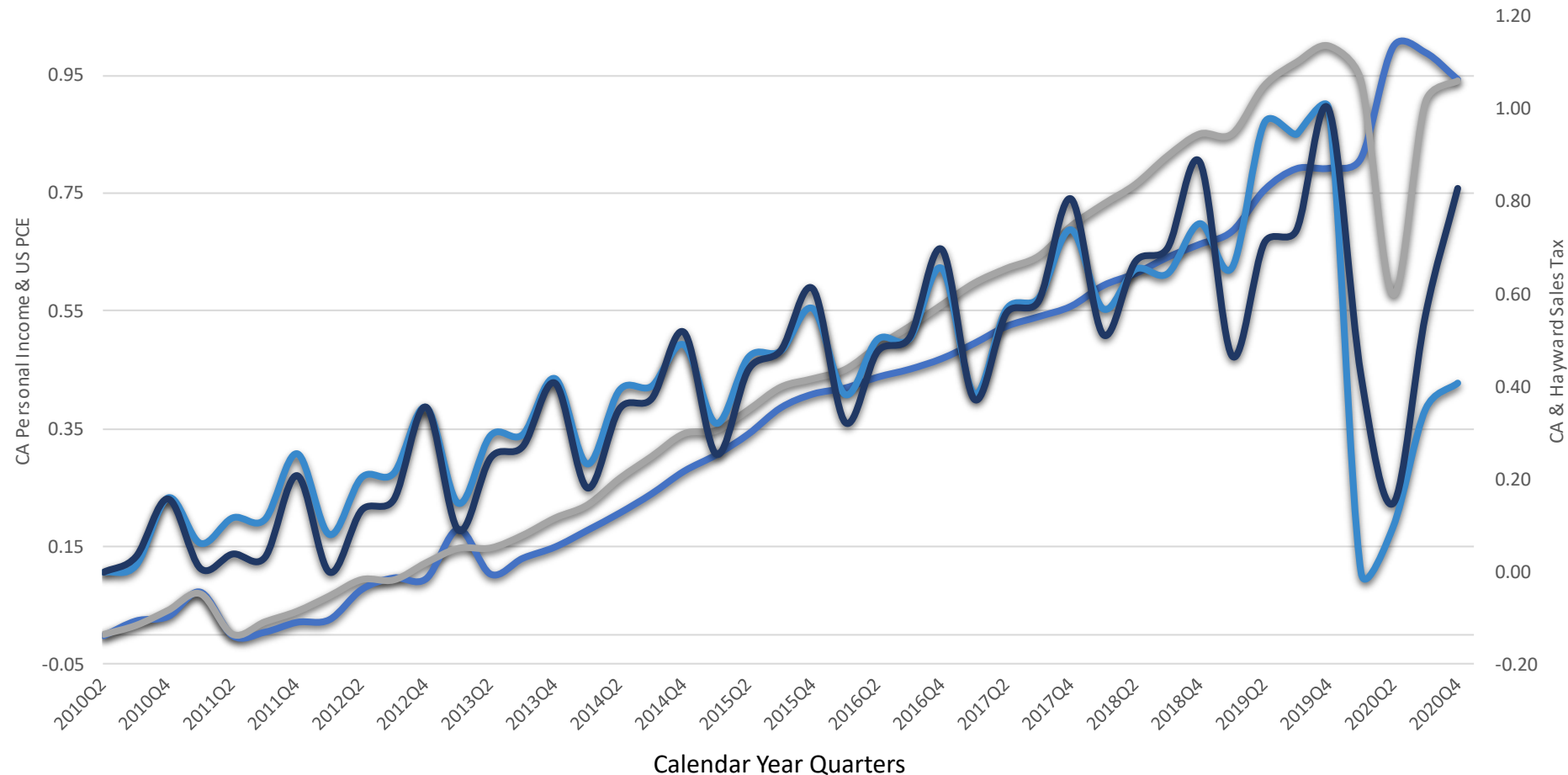
T-MOBILE

UNION 76 SERVICE STATIONS

VONS GROCERY COMPANY

WAL MART STORES

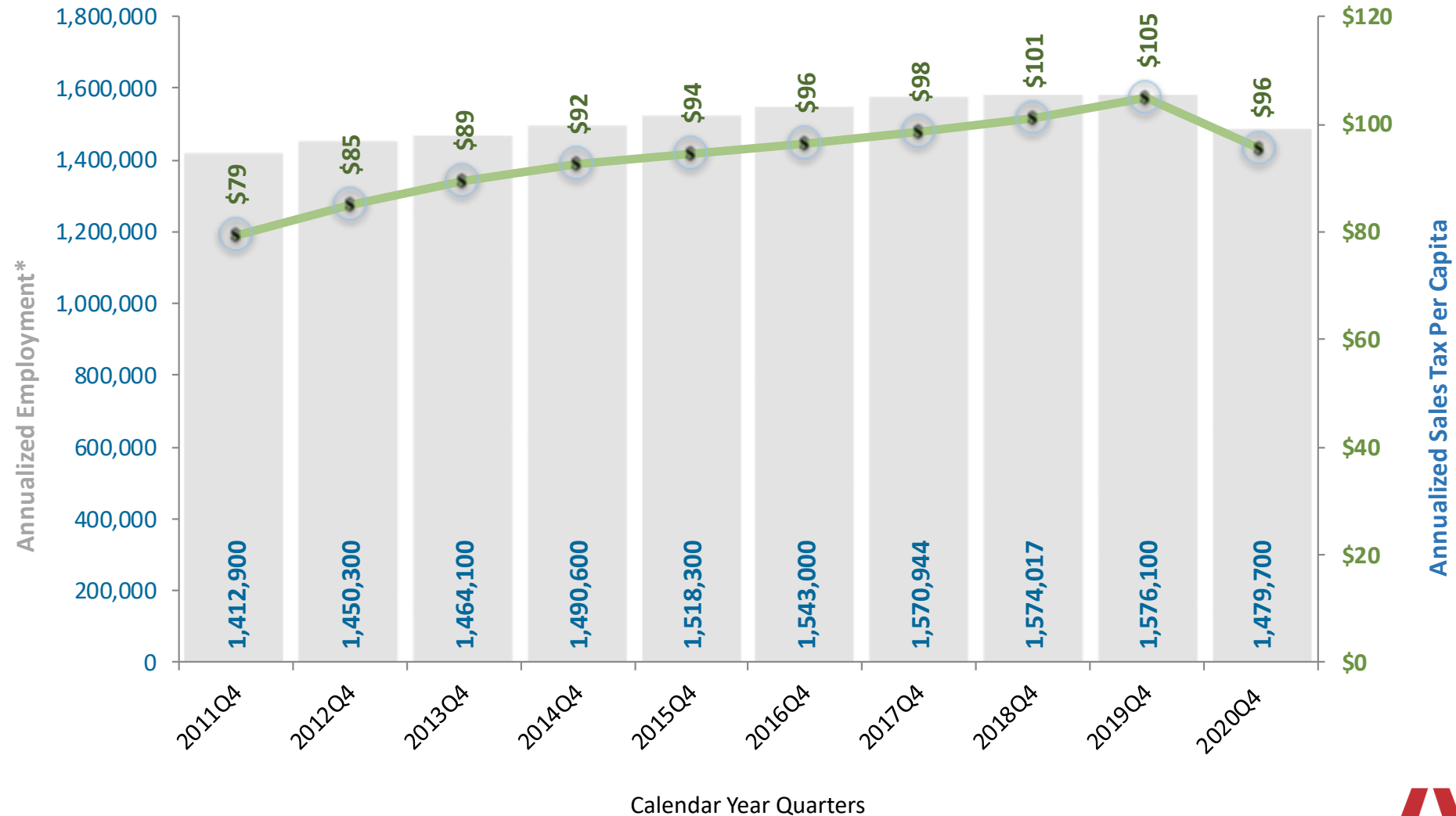
Sales Tax Revenues Compared to Income



— CA Personal Income
— CA Consumer-Based Sales Tax

— US Consumer Based Personal Consumption Expenditures
— Orange Co O.C.T.A -Consumer-Based Sales Tax

Employment Compared to Sales Tax Per Capita



What Have We Learned?

- Pandemic recession is unique with unique impacts
- Primary declines have been in restaurants, gas stations, and 'traditional' retail (malls & main street)
- Internet spending has offset much of the decline in retail
- New Wayfair revenues from out of state internet sales also were a major offset to sales tax declines
- Employment losses concentrated in low wage sectors such as hospitality and service sectors

Forecast Assumptions

- Vaccine distribution will continue with vaccines available for all who want them in California by Summer 2021
- California business restrictions tiering system will end by June 30 and consumers will adjust to the 'new normal'
- Another re-sheltering/business tier regulations period will not take place in Fall/Winter 2021
- Federal Stimulus and Monetary policies helped overall economic health and will help avoid a longer and/or deeper recession

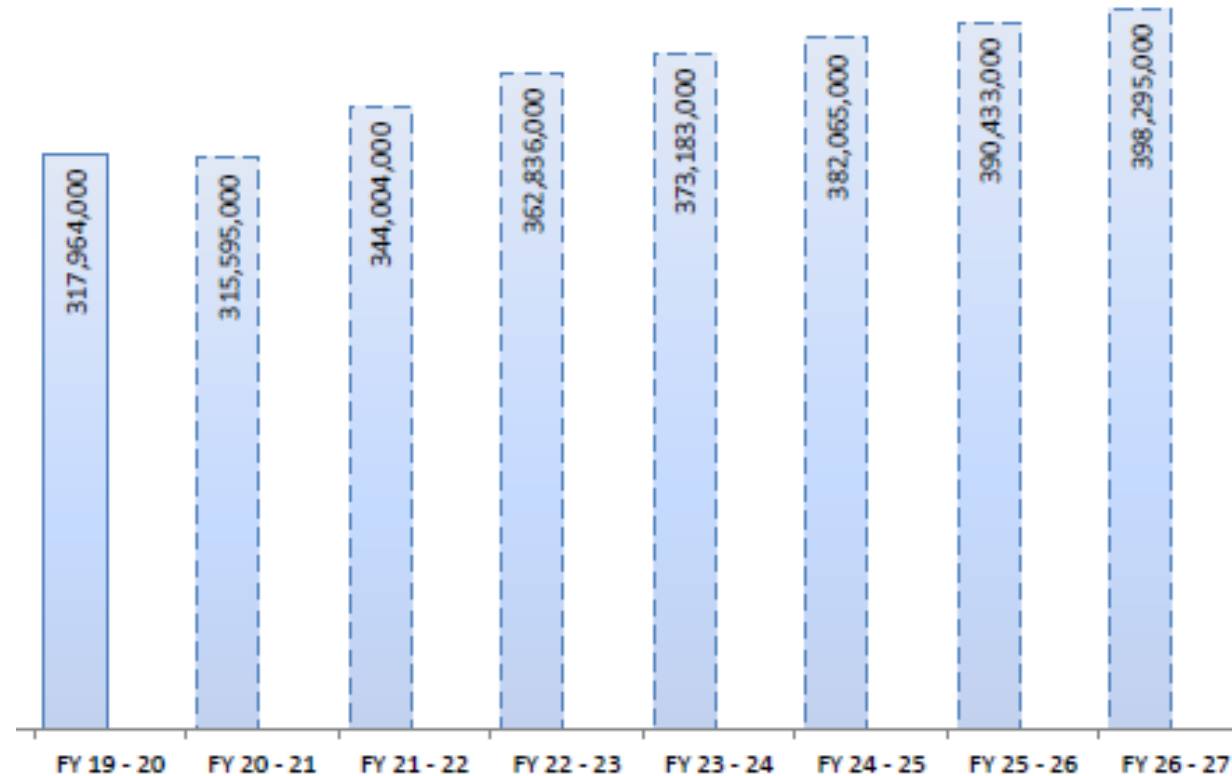
Recovery Forecast Assumptions

Sales Tax Forecast Recovery Assumptions

- Pent up demand & record levels of savings, will increase consumer consumption & a rebound in sales tax in FY 21/22
- Work from home will gradually ease in 2021 & 2022, domestic travel will return by 2022, business and convention by 2023, and international travel will return in 2024.
- While inflation is a potential brake to future economic growth, there is a lack of consensus of the threat, and it is likely several years off due to lingering unemployment.
- Virus variants, while a potential threat, are managed through current vaccination program.

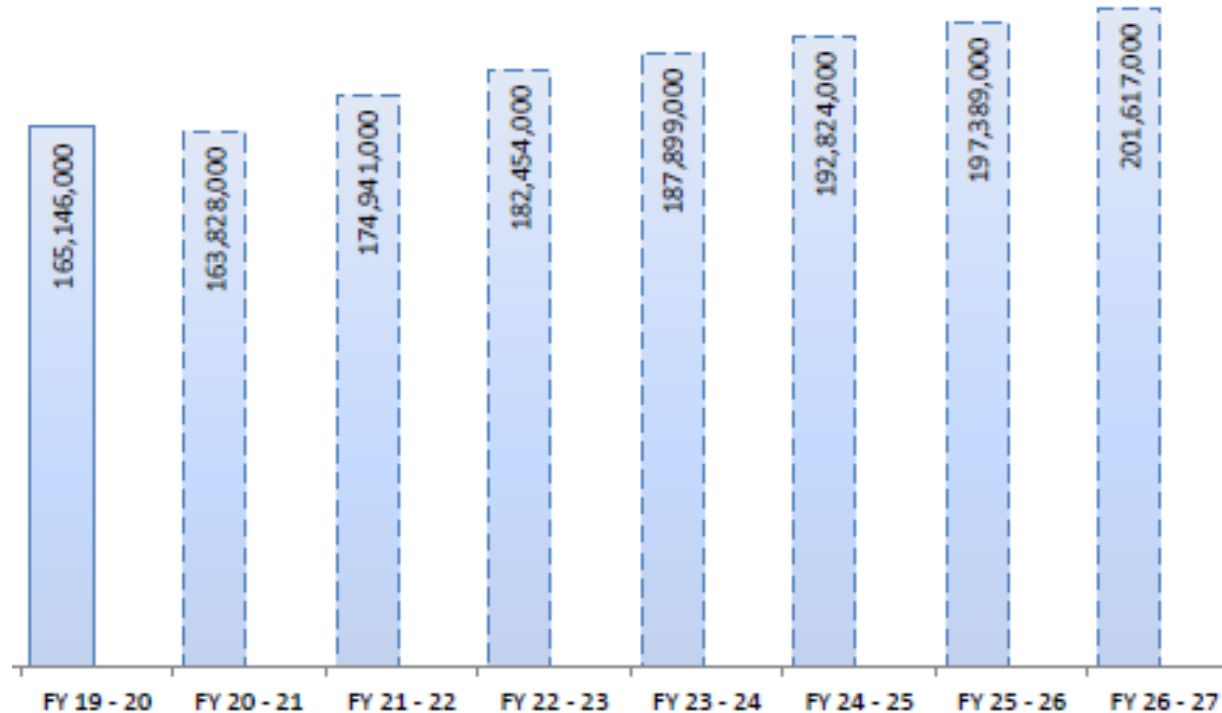
Measure M2 (1½%) Forecast Projections

Voter Approved	FY 19 - 20	FY 20 - 21	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27
Gross Cash Projection	317,964,000	315,595,000	344,004,000	362,836,000	373,183,000	382,065,000	390,433,000	398,295,000
Percent Change	-4.3%	-0.7%	9.0%	5.5%	2.9%	2.4%	2.2%	2.0%



TDA (LTF) ¼% Forecast Projection

County Transportation	FY 19 - 20	FY 20 - 21	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27
Gross Cash Projection	165,146,000	163,828,000	174,941,000	182,454,000	187,899,000	192,824,000	197,389,000	201,617,000
Percent Change	-5.9%	-0.8%	6.8%	4.3%	3.0%	2.6%	2.4%	2.1%



QUESTIONS?