



Orange County Transportation Authority

Measure M2 and TDA Forecast Review

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Client Success Manager

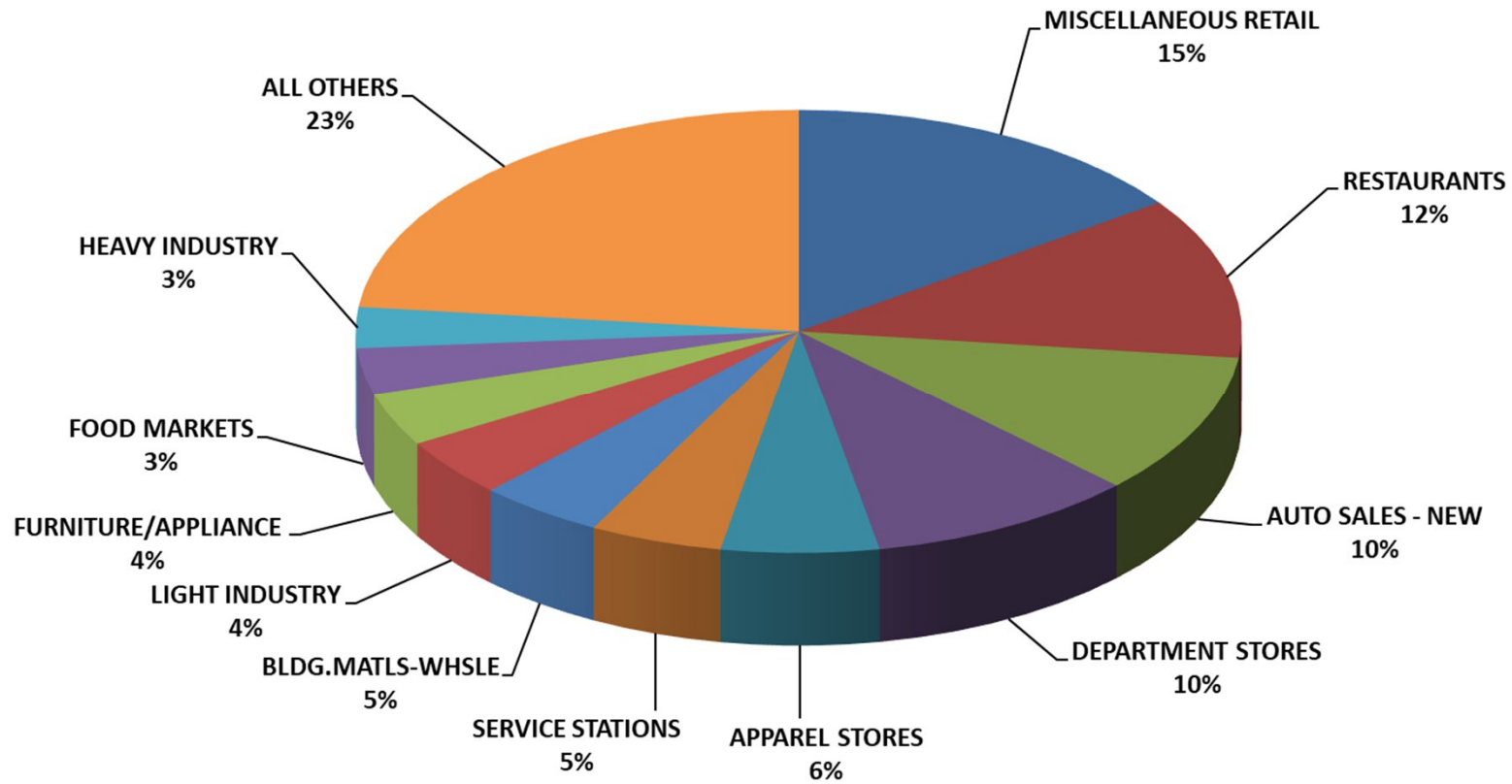
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May 2022 Update

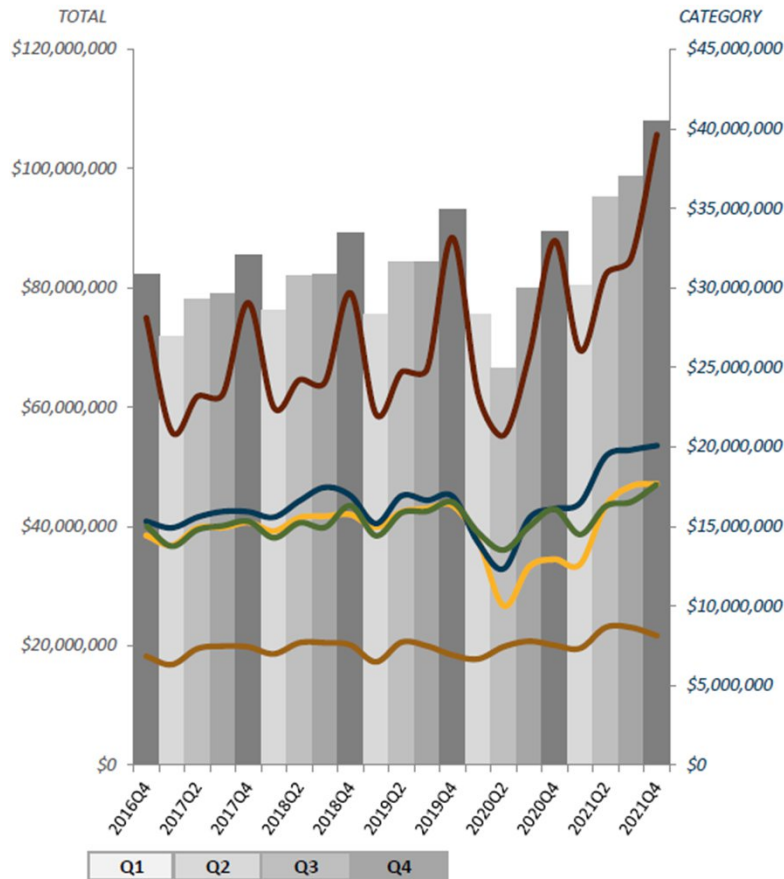
Agenda

- 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	2021Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
	\$107,866,882	20.5%	\$18,316,622	22.7%	\$70,688,807
GENERAL RETAIL					
	2021Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
	\$39,634,130	20.2%	\$6,669,158	25.0%	\$25,681,917
	% of 2021Q4 Total:		36.7%		
FOOD PRODUCTS					
	2021Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
	\$17,676,121	36.7%	\$4,748,549	29.5%	\$14,592,949
	% of Total:		16.4%		
TRANSPORTATION					
	2021Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
	\$20,082,883	24.6%	\$3,968,082	30.8%	\$17,830,628
	% of Total:		18.6%		
CONSTRUCTION					
	2021Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
	\$8,130,449	8.1%	\$609,462	11.5%	\$3,367,115
	% of Total:		7.5%		
BUSINESS TO BUSINESS					
	2021Q4	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
	\$17,642,947	9.7%	\$1,564,479	9.7%	\$5,753,863
	% of Total:		16.4%		

QoQ = 21Q4 / 20Q4

YoY = YE 21Q4 / YE 20Q4



Top 25 Sales Tax Generators (Alpha Order)

7-Eleven Food Stores

Amazon.com

Amazon.com (Third Party Sellers/Wayfair)

Apple Stores

Arco AM/PM Mini Marts

Best Buys Stores

Carmax Auto Superstores

Chevron Service Stations

Costco Wholesale

CVS/Pharmacy

Dept. of Motors Vehicles (3rd party sales)

Disneyland

EBay

Ganahl Lumber Company

Home Depot

Lowe's Home Centers

McDonald's Restaurants

Nordstrom Department Store

Ralph's Grocery Company

Ross Stores

Shell Service Stations

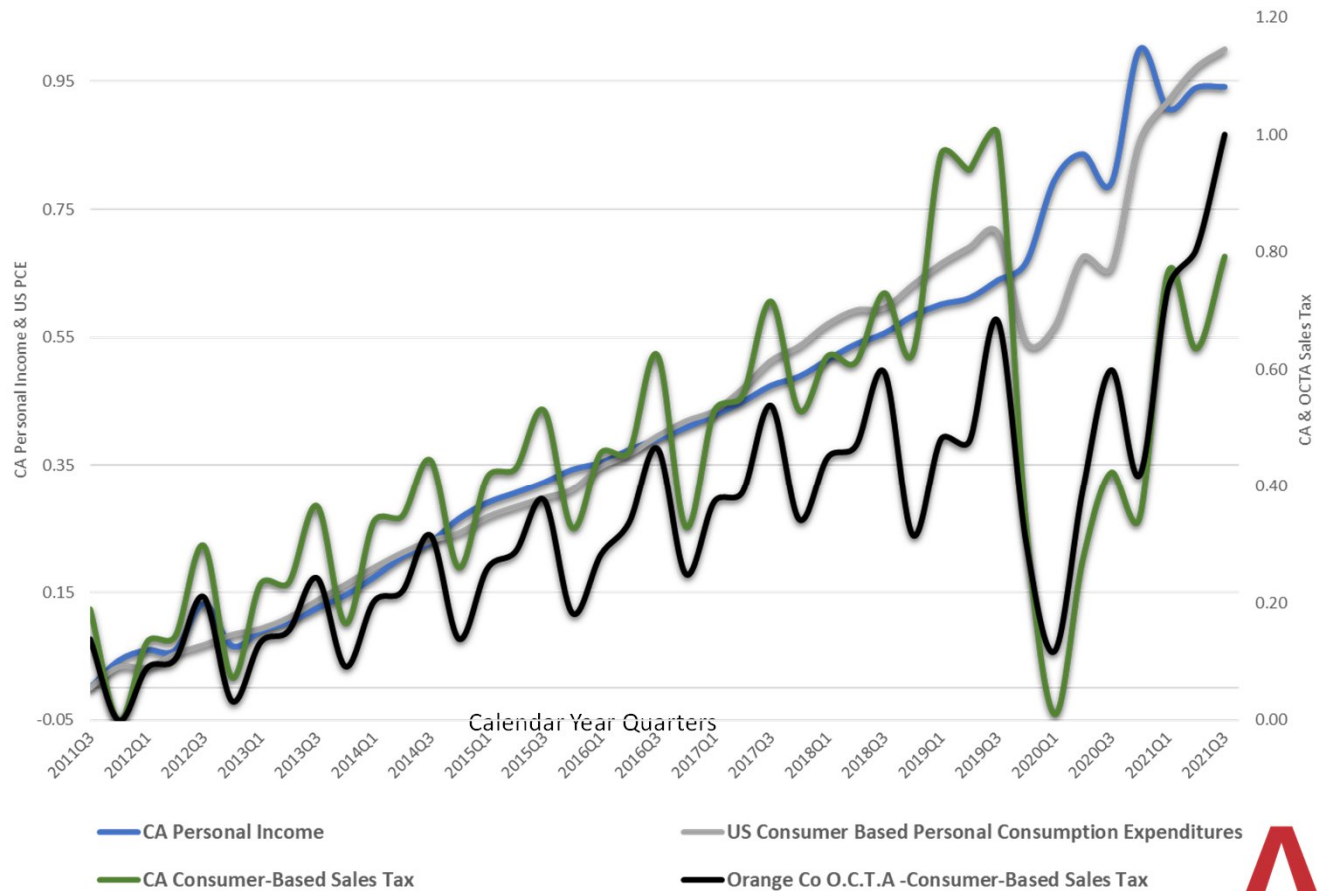
Target Stores

Tesla

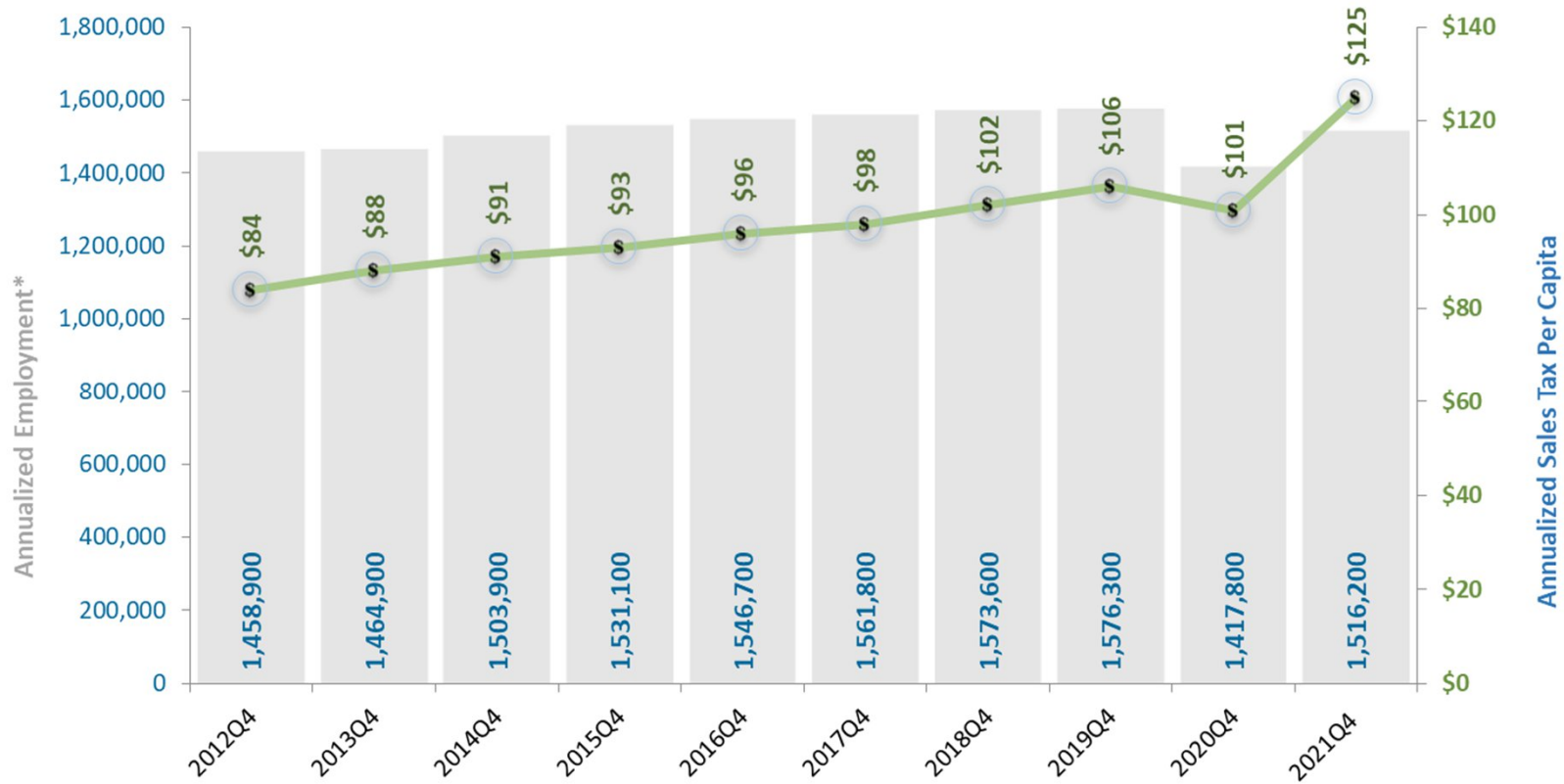
Union 76 Service Stations

Walmart Stores

Sales Tax Revenues Compared to Income



Employment Compared to Sales Tax Per Capita



Calendar Year Quarters

Measure M2 ½% Sales and Use Tax



Coronavirus: COVID-19 Impacts

What Have We Learned?

- Pandemic recession is unique with unique impacts
- Primary declines have been in restaurants, gas stations, and some 'traditional' retail such as apparel
- Internet spending has offset much of the decline in retail
- New Wayfair/Marketplace Facilitator revenues from out of state internet sales also were a major offset to sales tax declines
- Employment losses were concentrated in low wage sectors such as hospitality and service sectors
- After several quarters of initial sales tax decline, sales tax recovery has been fairly rapid for most of state

Forecast Assumptions

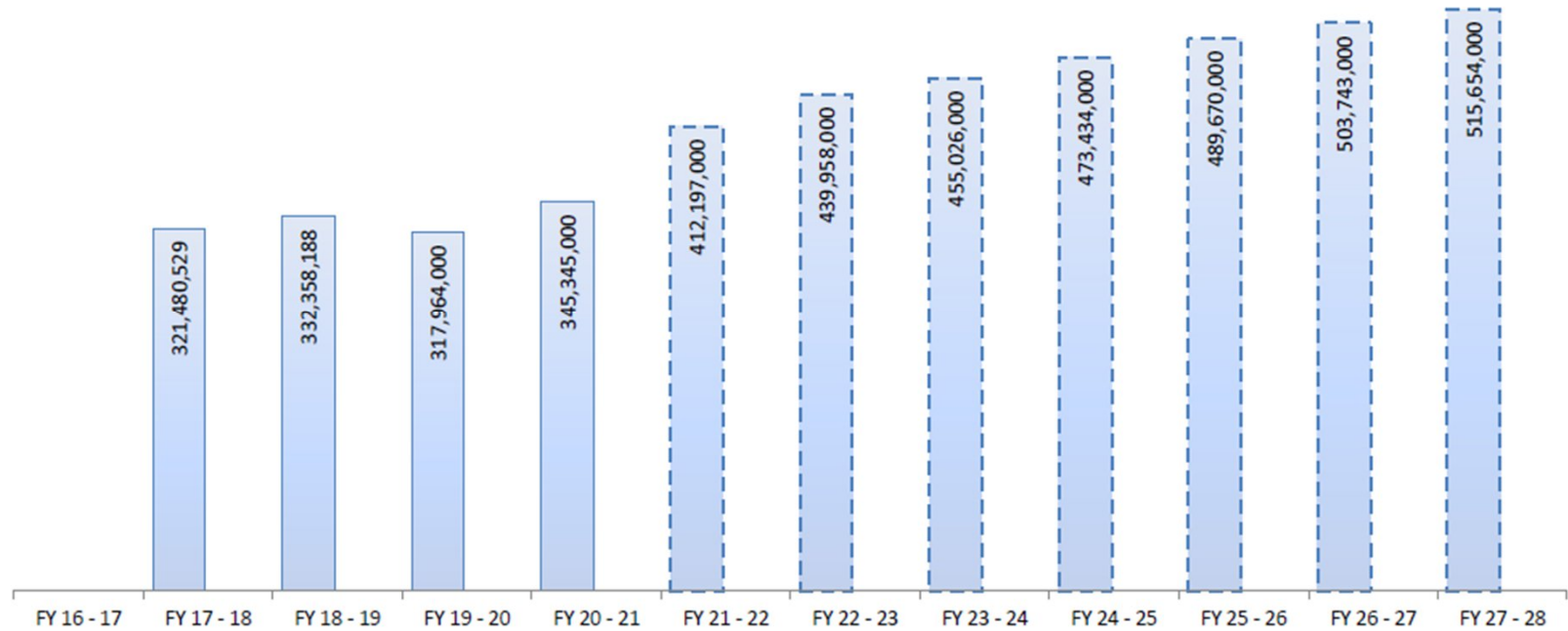
- Virus variants, while a lingering potential threat, are managed through vaccination program and masking when needed.
- California business restrictions related to the pandemic will not return and consumers will adjust to the ‘new normal’.
- Inflation will continue at high levels in 2022 and moderate to more normal levels by the end of 2023.
- Federal Reserve interest rate increases will help ‘cool down’ the economy and eventually help lower inflation.
- Supply chain issues will ease towards the end of 2022 and return to more normal levels by the end 2023.
- Business and convention travel will return in 2023, international travel will return in 2024.

Forecast Caveats

- Economic conditions have greater than usual levels of uncertainty.
- Greater uncertainty translates to greater potential variance for the forecast in upcoming years.
- Some of the areas of uncertainty include:
 - How will gas prices adjust over the next several years?
 - How long/how much will inflation impact the economy?
 - How will consumer behavior adjust to inflation?
 - How will Fed interest rate adjustments affect economy?
 - When will supply chains become 'fixed'?
 - How will Ukraine war impact energy & supply chains?
 - When will we achieve 'new normal' & what will it look like?

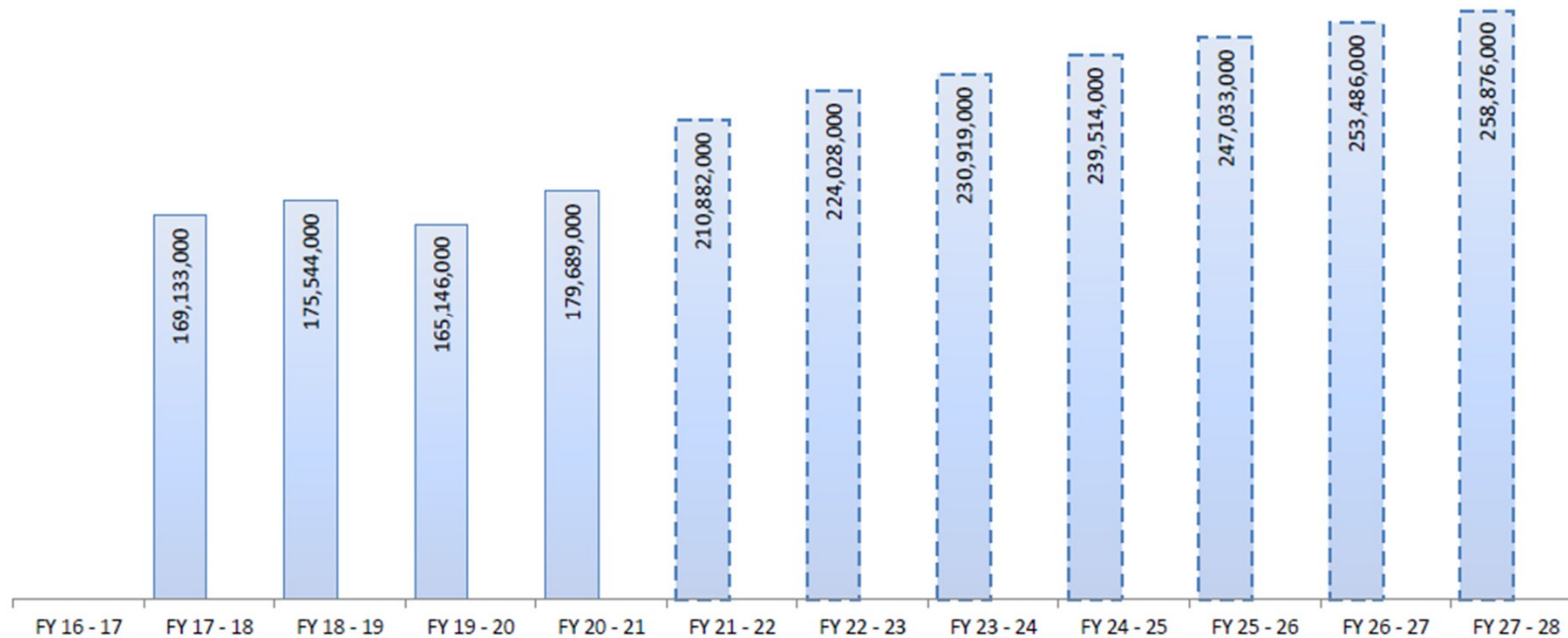
Measure M2 (½%) Forecast Projections

Voter Approved	FY 20 - 21	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28
Gross Cash Projection	345,345,000	412,197,000	439,958,000	455,026,000	473,434,000	489,670,000	503,743,000	515,654,000
Percent Change	8.6%	19.4%	6.7%	3.4%	4.0%	3.4%	2.9%	2.4%



TDA (LTF) ¼% Forecast Projection

County Transportation	FY 20 - 21	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28
Gross Cash Projection	179,689,000	210,882,000	224,028,000	230,919,000	239,514,000	247,033,000	253,486,000	258,876,000
Percent Change	8.8%	17.4%	6.2%	3.1%	3.7%	3.1%	2.6%	2.1%



QUESTIONS?