

News

- **Employment in California continues to grow.** Quarter over quarter employment growth for 2016Q4 is 1.7%, while the total California labor force grew by just 1.1%. The difference comes from the unemployment rate which declined by 0.6% from 5.6% in 2015Q4 to 5% in 2016Q4. (EDD)
- **International tourism in California could be impacted by travel ban.** After the January 27 travel ban was announced by the President, bookings searches were reportedly down by 6 to 17 percent on aggregator websites. International tourist spending in 2015 was estimated at \$15.9 billion, of which 19.2% was on retail. (UCLA Andersen)
- **Gas prices in California may rise significantly in 2017.** Several OPEC nations have agreed to reduce crude oil production by 1.2 million barrels a day, while Russia and other non-OPEC countries are planning cuts of 600,000 barrels a day. Limited supply of crude oil will drive up its price per barrel, which may consequently affect gas prices. GasBuddy.com analyst Allison Mac, predicts a gas price jump of 50 to 80 cents by Memorial Day. (Mercury News)

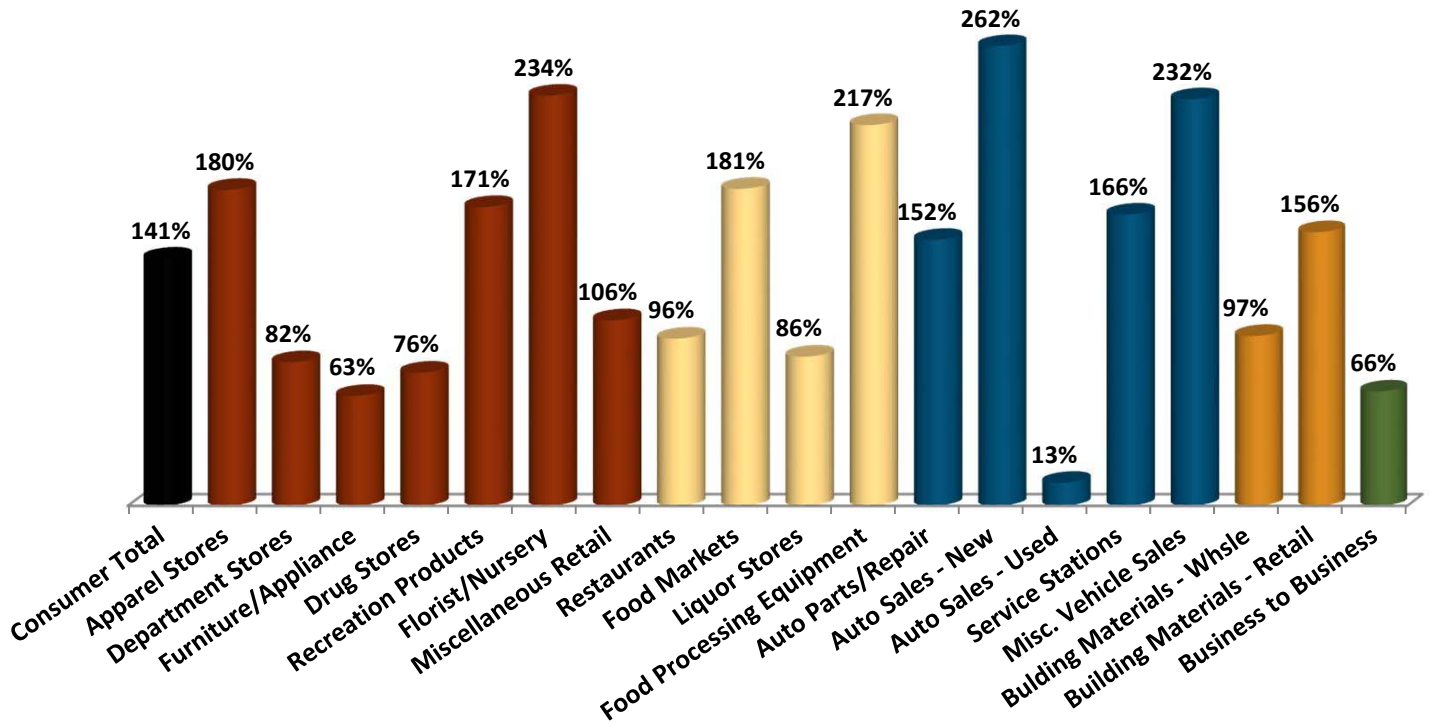
Top 25 Sales Tax Generators

AUTO WORLD DODGE/CHRYSLER/JEEP	K MART STORES	SHAMROCK MATERIALS
CHEVRON SERVICE STATIONS	KOHL'S DEPARTMENT STORES	SHELL SERVICE STATIONS
CVS/PHARMACY	LAGUNITA'S BREWING COMPANY	TARGET STORES
FISHMAN SUPPLY COMPANY	NIKE FACTORY STORE	TJ MAXX
FRIEDMAN'S HOME IMPROVEMENT	NORTH BAY NISSAN	UNION 76 SERVICE STATIONS
HANSEL HONDA	SAFEWAY STORES	USA SERVICE STATIONS
HANSEL TOYOTA & RV	SAVE MART SUPERMARKETS	VICTORY CHEV/CADILLAC/OLDS/GEO
HENRY CURTIS FORD & MERCURY	SCOTT LABORATORIES	WHOLE FOODS MARKET
HYUNDAI OF PETALUMA		

Business Activity

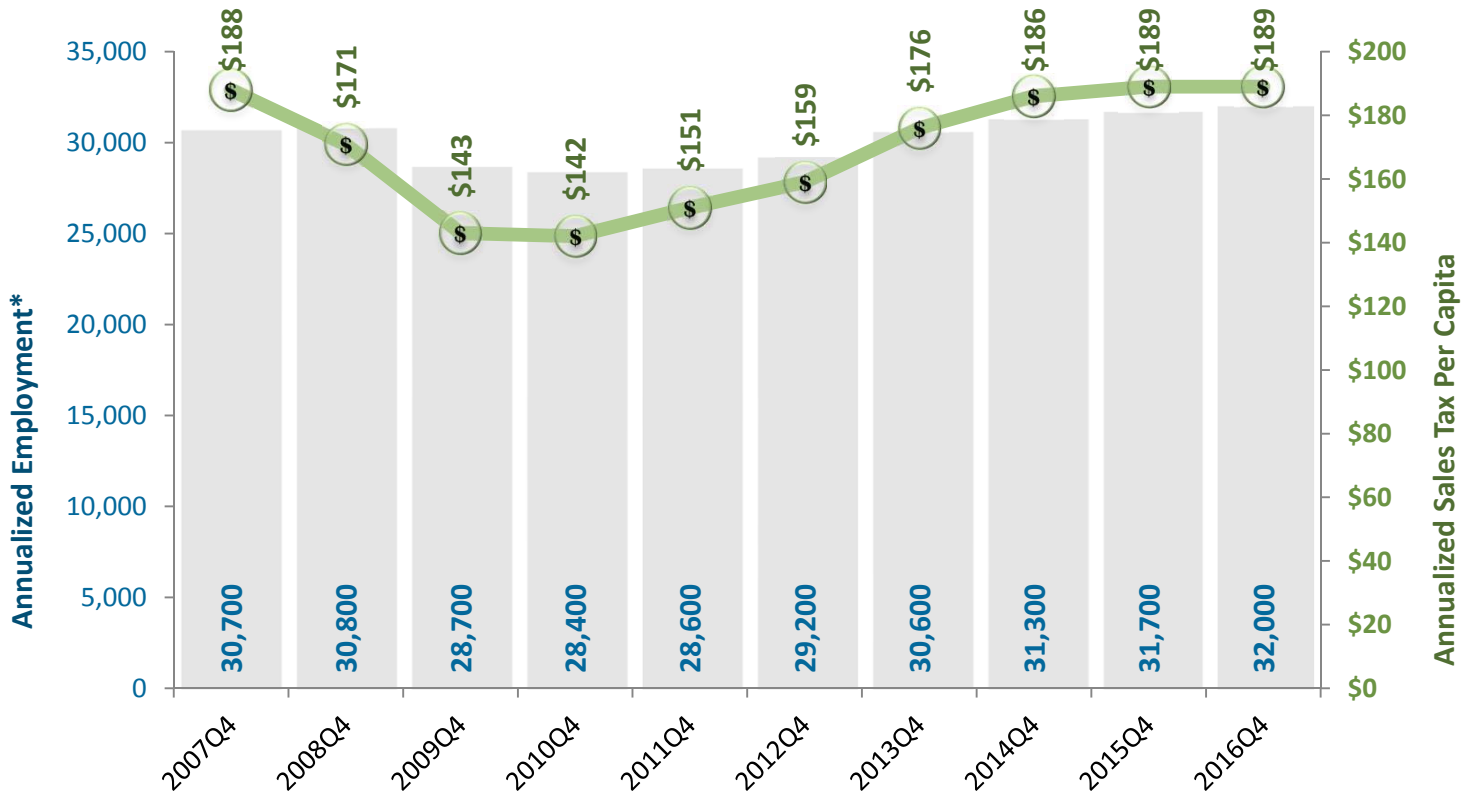
	Quarter over Quarter			Year over Year		
	Petaluma	S.F. Bay Area	Statewide	Petaluma	S.F. Bay Area	Statewide
TOTAL	-1.6%	-0.6%	-0.5%	0.5%	1.2%	1.5%
GENERAL RETAIL	2.6%	-1.5%	0.0%	2.5%	-0.2%	1.3%
FOOD PRODUCTS	-7.3%	2.2%	2.8%	1.6%	3.9%	4.6%
TRANSPORTATION	4.1%	3.8%	2.4%	1.9%	0.4%	-0.6%
CONSTRUCTION	-1.0%	-3.2%	-14.4%	4.1%	1.7%	1.6%
BUSINESS TO BUSINESS	-16.9%	-5.0%	-1.6%	-11.9%	0.8%	0.4%
Auto Sales - New	5.9%	6.3%	5.2%	4.8%	5.0%	4.3%
Restaurants	1.6%	2.4%	3.5%	4.4%	4.5%	5.4%
Apparel Stores	4.5%	1.7%	2.5%	5.5%	2.0%	2.9%
Service Stations	1.4%	0.0%	-1.1%	-8.7%	-9.6%	-11.0%
Food Markets	-0.3%	0.7%	0.9%	1.2%	1.4%	2.3%
Bldg.Matls-Retail	-0.6%	-12.9%	-22.3%	3.6%	2.3%	3.1%
Miscellaneous Retail	-0.3%	-2.8%	-1.8%	0.0%	0.1%	1.8%
Department Stores	0.3%	-2.8%	-1.3%	2.3%	-2.8%	-0.9%
Bldg.Matls-Whsle	-1.8%	5.2%	-8.2%	4.9%	1.2%	0.3%
Light Industry	-14.3%	-14.5%	-2.6%	-6.9%	8.4%	3.7%
Auto Parts/Repair	-2.8%	-3.9%	-1.1%	5.5%	1.1%	2.6%
Furniture/Appliance	6.5%	-2.0%	2.8%	1.8%	-1.3%	2.9%
Food Processing Eqp	-60.0%	6.6%	3.7%	-12.6%	7.0%	5.6%
Leasing	8.3%	6.4%	5.4%	16.8%	5.3%	5.8%

4th Quarter 2016 Sales Tax Capture and Gap Analysis Report



The chart is an overview of how well Petaluma is capturing potential sales tax based on its residents' effective buying income (disposable income) compared to purchasing habits in the S.F. Bay Area region.

Estimated Annualized Employment and Gross Sales Tax Per Capita by Benchmark Year



A Correlation Coefficient of 1 indicates a Perfect Positive Correlation.

Correlation Coefficient: **0.96**