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Memorandum to the City Manager's Office

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Jennifer A. Maguire

SUBJECT: COMPARATIVE PERFORMANCE OF ECONOMICALLY SENSITIVE MAJOR CITY REVENUES - UPDATE

DATE: February 5, 2010

Approved  Date 2/5/10

INFORMATION MEMO

BACKGROUND

During the November 5, 2009, City Council Special Meeting on 2010-2011 Budget Planning, Councilmember Campos asked for information regarding the extent to which economically sensitive City revenues had declined from their peak levels. The information contained in this memorandum was initially provided on January 20, 2010, and is now updated to reflect revisions to revenue estimates as recommended in the 2009-2010 Mid-Year Budget Review Report.

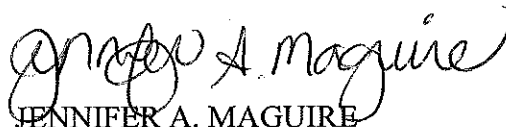
ANALYSIS

The following table summarizes the peak year, recent actual, and projected performance for the City's economically sensitive major revenues for the General Fund, special funds, and capital funds. It should be noted that the amounts shown do not reflect adjustments for inflation.

Comparative Performance of Economically Sensitive Major Revenues
(\$ in millions)

Revenue Source	Peak		Actual		Modified Budget*	% Decline from Peak	
	Year	Actual	2007-08	2008-09	2009-10	2008-09	2009-10
Property Tax	2008-09	\$ 210.84	\$ 203.72	\$ 210.84	\$ 199.85	0.0%	-5.2%
Sales Tax	2000-01	169.22	154.00	132.01	125.08	-22.0%	-26.1%
Transient Occupancy Tax	2000-01	27.61	24.03	19.35	16.38	-29.9%	-40.7%
Development Fee Programs**	2005-06	41.21	38.20	31.92	25.19	-22.5%	-38.9%
Airport Parking and Roadway Rev.	2000-01	60.01	48.01	42.60	38.71	-29.0%	-35.5%
Airport Passenger Facility Charges	2005-06	22.27	21.22	17.42	16.50	-21.8%	-25.9%
Construction and Conveyance Tax	2005-06	49.00	26.81	20.47	20.00	-58.2%	-59.2%
Construction Excise Tax***	2000-01	20.74	13.55	8.12	5.50	-60.9%	-73.5%
Building and Structure Const. Tax***	2000-01	17.45	9.62	7.05	4.00	-59.6%	-77.1%
Sanitary Sewer Connection Fee	1997-98	2.70	0.79	0.65	0.25	-75.9%	-90.7%

* Modified Budget based on revisions to revenue estimates as recommended in the 2009-2010 Mid-Year Budget Review Report.
 ** Development Fee Programs include Building, Fire, Planning, and Public Works.
 *** The 2009-10 budget includes valuation table increases.


 JENNIFER A. MAGUIRE
 Budget Director