



Update on Revenue Impact Due to Tubbs Fire

City Council Meeting
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BACKGROUND

- The FY 2017-18 Budget was adopted on June 13, 2017
- The General Fund Revenue budget for FY 2017-18 was \$153,070,545
- General Fund revenue is made up of various sources, including Property Tax, Sales Tax, and Transient Occupancy Tax (TOT) among others

BACKGROUND, CONT

- On October 8, 2017, the Tubbs Fire began, and would ultimately destroy 2,800 structures in Coffey Park and Fountaingrove Areas
- Staff has been analyzing the impacts to the revenue base, as well as impacts to City operations

REVENUE IMPACTS

Revenue Type	FY 2017-18 Est. Revenue Loss	FY 2018-19 Est. Revenue Loss
Property Tax	\$675,000	\$1,129,000
Sales Tax	\$1,800,000	\$2,400,000
TOT	\$1,100,000	\$1,500,000
UUT	\$1,100,000	\$1,470,000
Business Tax	\$163,000	\$163,000
Total	\$4,838,000	\$6,662,000

ASSUMPTIONS

- Revenue loss, in general, based on actual businesses and structures destroyed
- FY 2017-18 losses represent the last three quarters of the year
- FY 2018-19 expands FY 2017-18 estimates to a full year

ASSUMPTIONS, CONT

- Property Tax (\$675K; \$1.13M)
 - Estimates from Sonoma County, based on AB8 factors consistent with Revenue and Taxation code.
- Sales Tax: (\$1.8M; \$2.4M)
 - Based on actual businesses lost. Expect losses to remain until businesses are rebuilt.
 - Actual sales tax results available in April

ASSUMPTIONS, CONT

- TOT (\$1.1M; \$1.5M)
 - FY 2017-18 estimate based on actual hotels lost, and those closed due to damage.
 - FY 2018-19 projection assumes damaged hotels re-opened
 - Loss from destroyed hotels based on actual TOT receipts and three-year trend

ASSUMPTIONS, CONT

- UUT (\$1.1M; \$1.47M)
 - Estimated losses based on trend analysis of past receipts
- Business Tax: Estimated losses based on businesses lost in the affected areas.

Other Losses

- Santa Rosa Water Enterprise Revenue Losses:
 - 2017-18 Estimates: \$3.2M
 - Water: \$1.4M; Sewer: \$1.8M
 - 2018-19 Estimates: \$4.78M
 - Water: \$2.05M; Sewer: \$2.78M
- Losses for other City operations including Recreation Facilities and Parking Enforcement

RECOMMENDATION

- This item is for information only

QUESTIONS?