



## NAPA VALLEY TRANSPORTATION AUTHORITY- TAX AGENCY ITOC Agenda Letter

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**TO:** Independent Tax Oversight Committee  
**FROM:** Kate Miller, Executive Director  
**REPORT BY:** Danielle Schmitz, Director - Capital Development and Planning  
(707) 259-5968 / Email: [dschmitz@nvta.ca.gov](mailto:dschmitz@nvta.ca.gov)  
**SUBJECT:** Measure T Revenue Projections and Projects At-Risk Due to COVID-19 Related Economic Circumstances

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### **RECOMMENDATION**

Information only

### **COMMITTEE RECOMMENDATION**

None

### **EXECUTIVE SUMMARY**

This report is intended to provide updated Measure T revenue projections and a summary of Measure T projects that are at-risk due to the reduction of sales tax revenues caused by the COVID-19 economic circumstances.

### **PROCEDURAL REQUIREMENTS**

1. Staff Report
2. Public Comments

### **FISCAL IMPACT**

Is there a fiscal impact? \$9,320,100 in Measure T Revenues for FYs 2019-20, 2020-21, 2021-22.

### **BACKGROUND AND DISCUSSION**

It is currently unclear when the COVID-19 Stay at Home Order will be lifted in Napa County. This is the cause of much uncertainty in projecting Measure T sales tax revenues.

Prior to the pandemic, NVTA projected Measure T revenues for FY 2019-20 to be \$19.8 million, FY21 \$20.1 million, and FY22 \$20.4 million. In light of the pandemic, NVTA's sales tax consultants, HdL Companies, is now projecting the FY 2019-20 to be \$17.1 million for the year, representing a 14% reduction.

As shown in Table 1, NVTA is projecting a reduction in Measure T revenues for the next three fiscal years. NVTA staff would recommend jurisdictions remain conservative in preparing bid packages for Measure T projects because the below figures are only estimates using preliminary data. If revenues come in higher than anticipated, projects could be restored to original funding amounts. Revenue projections are also likely to change when more information about economic conditions is available once the economy has reopened.

Table 1. Measure T Revenues

<b>Fiscal Year</b>	<b>Original Projection</b>	<b>New Projection</b>	<b>% Decrease</b>
2019-20	\$19,818,000	\$17,117,200	14%
2020-21	20,123,100	16,296,000	19%
2021-22	20,445,000	17,664,000	14%
<b>Total</b>	<b>\$60,386,100</b>	<b>\$51,077,200</b>	<b>15%</b>

The accumulated three-year estimated loss of Measure T revenues is \$9,320,100. Projects that may be impacted by this reduction are highlighted in Table 2.

Table 2. Measure T Projects Delayed/At Risk\*

<b>Jurisdiction</b>	<b>Project</b>	<b>Amount</b>
American Canyon	Various Street and Road Rehab	\$717,200
County of Napa	Airport Boulevard Rehab	3,693,000
	El Centro Avenue Paving	
City of Napa	Westwood Neighborhood Phase 2 Trower Ave. Jefferson Street Rehab	3,758,300
Yountville	Washington Park Project	251,400
St. Helena	Citywide Paving, Slurry Seal and ADA Improvements	549,500
Calistoga	Lake Street Rehabilitation	251,400
	<b>Total</b>	<b>\$9,220,900</b>

\*Measure T funds for Admin and ITOC not included

## **SUPPORTING DOCUMENTS**

Attachments: (1) Measure T Three Year Financial Forecast  
(2) Napa Valley Measure T 3 Year Transactions and Use Tax Budget Estimate



<b>FY 19-20</b>	<b>Entity</b>	<b>New</b>	<b>Difference</b>		
	American Canyon	\$1,520,500	\$1,312,500	(\$208,000)	
	Calistoga	\$533,100	\$460,200	(\$72,900)	
	City of Napa	\$7,967,700	\$6,877,800	(\$1,089,900)	
	Napa County	\$7,829,400	\$6,758,500	(\$1,070,900)	
	St. Helena	\$1,165,000	\$1,005,700	(\$159,300)	
	Yountville	\$533,100	\$460,200	(\$72,900)	
	NVTA	\$197,450	\$170,550	(\$26,900)	
	ITOC	\$71,750	\$71,750	\$0	
		<u>\$19,818,000</u>	<u>\$17,117,200</u>	<u>(\$2,700,800)</u>	-13.6%

<b>FY 20-21</b>	<b>Org</b>	<b>New</b>	<b>Difference</b>		
	American Canyon	\$1,543,800	\$1,249,300	(\$294,500)	
	Calistoga	\$541,300	\$438,100	(\$103,200)	
	City of Napa	\$8,090,000	\$6,546,500	(\$1,543,500)	
	Napa County	\$7,949,700	\$6,433,000	(\$1,516,700)	
	St. Helena	\$1,182,900	\$957,200	(\$225,700)	
	Yountville	\$541,300	\$438,100	(\$103,200)	
	NVTA	\$200,600	\$162,050	(\$38,550)	
	ITOC	\$73,500	\$71,750	(\$1,750)	
		<u>\$20,123,100</u>	<u>\$16,296,000</u>	<u>(\$3,827,100)</u>	-19.0%

<b>FY 21-22</b>	<b>Org</b>	<b>New</b>	<b>Difference</b>		
	American Canyon	\$1,568,500	\$1,353,800	(\$214,700)	
	Calistoga	\$550,000	\$474,700	(\$75,300)	
	City of Napa	\$8,219,100	\$7,094,200	(\$1,124,900)	
	Napa County	\$8,076,600	\$6,971,200	(\$1,105,400)	
	St. Helena	\$1,201,800	\$1,037,300	(\$164,500)	
	Yountville	\$550,000	\$474,700	(\$75,300)	
	NVTA	\$204,400	\$175,850	(\$28,550)	
	ITOC	\$75,300	\$71,750	(\$3,550)	
		<u>\$20,445,700</u>	<u>\$17,653,500</u>	<u>(\$2,792,200)</u>	-13.7%

<b>3 Year Total</b>	<b>Org</b>	<b>New</b>	<b>Difference</b>		
	American Canyon	\$4,632,800	\$3,915,600	(\$717,200)	
	Calistoga	\$1,624,400	\$1,373,000	(\$251,400)	
	City of Napa	\$24,276,800	\$20,518,500	(\$3,758,300)	
	Napa County	\$23,855,700	\$20,162,700	(\$3,693,000)	
	St. Helena	\$3,549,700	\$3,000,200	(\$549,500)	
	Yountville	\$1,624,400	\$1,373,000	(\$251,400)	
	NVTA	\$602,450	\$508,450	(\$94,000)	
	ITOC	\$220,550	\$215,250	(\$5,300)	
		<u>\$60,386,800</u>	<u>\$51,066,700</u>	<u>(\$9,320,100)</u>	-15.4%



# NAPA VALLEY MEASURE T

## 3 YEAR TRANSACTIONS AND USE TAX BUDGET ESTIMATE

Industry Group	FY 2018-19	FY 2019-20		FY 2020-21		FY 2021-22	
	Actuals	Projection	%	Projection	%	Projection	%
Autos & Transportation	2,550,814	2,018,830	-20.9%	2,022,020	0.2%	2,123,121	5.0%
Building & Construction	1,980,500	1,872,504	-5.5%	1,842,709	-1.6%	2,026,980	10.0%
Business & Industry	6,412,756	5,312,103	-17.2%	5,147,424	-3.1%	5,662,166	10.0%
Food & Drugs	914,194	966,917	5.8%	993,137	2.7%	1,013,000	2.0%
Fuel & Service Stations	1,247,722	1,057,087	-15.3%	1,011,509	-4.3%	1,062,084	5.0%
General Consumer Goods	3,214,313	3,233,684	0.6%	3,135,141	-3.0%	3,291,898	5.0%
Restaurants & Hotels	3,496,351	2,615,194	-25.2%	2,283,591	-12.7%	2,626,130	15.0%
Transfers & Unidentified	51,029	191,361	275%	8,444	-95.6%	8,444	0.0%
<b>Total</b>	<b>19,867,678</b>	<b>17,267,681</b>	<b>-13.1%</b>	<b>16,443,975</b>	<b>-4.8%</b>	<b>17,813,823</b>	<b>8.3%</b>
Administration Cost	(199,750)	(150,453)		(147,996)		(160,324)	
<b>Total</b>	<b>19,667,928</b>	<b>17,117,229</b>	<b>-13.0%</b>	<b>16,295,979</b>	<b>-4.8%</b>	<b>17,653,499</b>	<b>8.3%</b>
With Accrual	19,667,928	17,117,229	-13.0%	16,295,979	-4.8%	17,653,499	8.3%

\*Estimate is on an accrual basis (allocations for sales through June)

Note: Not included in the above numbers:

We are estimating the exposure for the 90 day deferral to possibly be \$2.6 million. This is how much could move from 1Q20 into 2Q20, but still be in FY 19-20. The advances for April and May may be reduced in some form due to the delay of this amount with the August payment increased by the delayed payments.

We are estimating the worst case for the 12-month payment plan to possibly be \$1.1 million. Taxpayers can enter into an installment plan to repay the state up to \$50,000. The subsequent installment payments will be paid monthly with all deferred liabilities repaid by July 31, 2021. This is the amount that could move from FY 19-20 into FY 20-21.

The above projection assumes a recessionary impact from the Coronavirus pandemic. HdL's Consensus Forecast, released April 8, 2020, modeled the impacts. The Forecast assumes the 'shelter in place' will continue until the end of May, some form of social distancing will continue and consumers will be cautious about spending and travel for the rest of the year. Sales tax data from the State reflecting the first weeks of this crisis arrives at the end of May; data reflecting the April-June impacts will be available in August.