

## **West Marin Taxable Retail Potential Analysis**

**Analysis of Spending Leakage in West Marin, California**

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**Foreward – Keeping us Alive**

*by Think Local First West Marin*

Where the Golden Gate Bridge lands in Marin county a sharp ridge of mountains begins. From there it curves north and west until tapering eventually into the Pacific Ocean. Mount Tamalpais is its most prominent peak. The few roads crossing these hills are twisted and slow going. Land then drops steeply and rolls into hills and pastures until reaching the ocean. This separate place cupped between the mountains and the sea is known as West Marin. Its shore runs from Stinson Beach to Dillon Beach. In the middle is the long fingering reach into the sea of the Pt. Reyes peninsula.

Protected by its geography from the pace over the hill, here the land is open and agricultural. There are no residential subdivisions or shopping malls. Every business in West Marin is owned and run by local people except for one: the branch of Wells Fargo bank in Pt. Reyes Station. That town contains the most retail business activity in West Marin. In the few blocks of its downtown are small shops comfortably shouldered together. They offer, among other needs, baked goods, books, local cheeses and foods, car services, gifts, hardware, farm supplies, art, saloon drinking, medical care and medicines. Just beyond the sharply defined town is open land and the watershed of Tomales Bay.

Residents reflect the agricultural way. They form a strong community which is active in helping each other and protecting the sanity the land provides. These people, our people, are diverse in their work, education, age, ethnicity and political views but are uncommonly cohesive in protecting West Marin as a community which prospers broadly, more broadly than economics alone could measure. Yet, we must face it, we cannot ignore economics. Unless our land is self-sustainable, so it can provide jobs and services and housing, the people and land will drift away from what we value most.

An informal group, open to all, called Think Local First of West Marin, gathered to figure out a plan to promote our economy while maintaining our soul. The group was started by the West Marin Chamber of Commerce, Marin Organic and Pt. Reyes Books. West Marin may be one of the few places where a chamber of commerce is actively concerned about maintaining the small and the human.

The first step is looking at two things: who now does the spending in West Marin and where do local businesses and residents spend their dollars. This look serves Think Local First's goal of keeping local spending in the community as much as possible (which enhances independence) and becoming aware of how dependent we are on spending from others (which knowledge aids marketing and business development in ways healthy to our local nature).

To get a handle on where our dollars come from and go to, we approached Steve Kinsey who represents West Marin on the county board of supervisors. He proposed to the board, which it adopted, the funding of a professional study of the West Marin economy focusing on the dollars in and out of the area. The Center for Economic Development

(called CED) at California State University, Chico is experienced in studies of this type and was hired. The work is in two parts: a **study** of potential and actual spending based on models of expected sales and public data of actual sales obtained from the county; and a **local survey** of actual spending habits. The study is finished and is summarized below. Now the survey of actual spending will begin. After that has been completed, the survey results will be compared to the study and conclusions will be drawn to guide us in proposing a plan for keeping a healthy economy in West Marin.

The nature of the CED study and its limits need to be kept in mind. It does not reveal all spending in West Marin. That is not feasible. The study looks at slices of the local economy, those available from county public records. The goal was to get a general sense of commerce in and out of West Marin by looking at the available part of that commerce. The study compares expected purchases in the specific categories by local businesses and residents to actual 2007 spending. The expected commerce is based on modeling derived from California demographics adjusted toward West Marin's population. The actual 2007 spending is derived from county records of sales tax collected from West Marin. Economic activity not subject to sales tax is not included in this study. That means sales by businesses not subject to sales tax (for example, agricultural products, services, grocery food sales, lodging) are not included in either the modeled expected commerce or the actual 2007 results. This does not mean the study is too limited to be helpful because the purpose of the study is to sort out generally the percent of spending in the area coming from travelers as well as the percent of local business and resident spending staying in the community. Extrapolating from the slice used by the study gives us an initial feel of those percentages even though the unreported spending could have a different mix of dollar flows.

The survey of local businesses and residents which is now beginning will provide data from the ground up, rather than the top down approach using only modeled expected purchases versus actual reported ones. The survey can provide a valuable test of the conclusions of the CED study and, importantly, provide data about economic activity not included in the study. **Wide participation in the survey is important for all of us, to develop a plan to keep us alive in the broadest way we can know.**

### Short Summary of Results of the CED study

The only actual data available for this type of study is the 2000 census population count for West Marin and the total sales taxable sales in the area. Due to lack of additional data of which we are aware, this study was based on modeling and estimations. We believe the models CED used are the best ones available and have been adjusted to West Marin appropriately. With that said, what the study shows is:

1. Residents spend about 80% of their dollars outside West Marin.
2. Our businesses do better than that but still not what we need, 60% of their spending is outside the area. Total spending by local businesses is ten times total spending by local residents.

3. Travelers to West Marin account for around 73% of spending in the area by individuals, that is, by residents and visitors combined. The upcoming survey of actual spending should give us a feel about whether that mix, based only on sales-taxed purchases, is substantially different from total purchases.
4. As an initial rough estimate, West Marin loses to other markets each year around \$200,000,000 in spending by residents and \$110,000,000 in spending by our businesses.

It is true that much of that loss cannot be reversed because not all goods and services are available in West Marin. But if a good portion can be recaptured, it should be and needs to be.

**It needs to be, for our sake.**

To join us or help distribute or gather the surveys, call Point Reyes Books, 663-1542.

## **Summary of Results**

West Marin had an estimated net taxable sales leakage of \$155.1 million in 2007, or about 79 percent of the total potential taxable sales, estimated to be \$197.5 million. However, visitors to West Marin are responsible for much of the existing retail capture; about \$30.9 million of West Marin's total taxable sales of \$42.4 million. If travel spending covers nearly all spending captured by West Marin businesses from nonresidents, then West Marin residents spend an estimated \$181.4 million in taxable sales outside of West Marin. This represents 81 percent of all potential taxable sales from residential and travel spending. A significant additional leakage may exist for nontaxable goods and services purchased by households, although no reliable data exists at this time to measure leakage for these goods and services.

Leakage occurs for taxable goods such as food, furniture and appliances, other retail goods, and goods from nonretail outlets (mostly producers and growers) selling directly to consumers. Leakage in a particular sector could be due to people in West Marin purchasing goods in other communities, lower household demand for specific retail goods compared to the average for California consumers (adjusted for income differential), or the substitution of spending in one retail sector for spending in a competing sector. Whichever the reasons, a significant potential exists to capture more local spending within West Marin. Increasing product availability and informing West Marin residents about the importance of buying more products and services locally, supporting the economy of the local community.

Businesses in West Marin spend an even greater amount on goods and services outside the area than do households, both in terms of total dollar value and percent of the cost of goods and services they purchase. West Marin businesses spend \$114 million on goods and services provided from other areas, which represents 61 percent of the cost of all goods and services purchased by West Marin businesses. These values do not include payroll, rent, or tax payments. As with household spending, reducing business spending leakage depends on increasing the availability of products and services demanded by West Marin businesses, as well as marketing these products and services to them. Most business leakage is due to the lack of local alternatives. For example, the business sector with the greatest leakage—real estate—includes a lot of services not available in West Marin such as mortgage brokerages, or most of the services are provided by businesses located outside of the area, such as real estate agents.

## **About West Marin**

West Marin refers to the western half of Marin County, California. It is located in the northern San Francisco Bay Area, and includes more than a hundred miles of Pacific Ocean coastline. West Marin is known for its natural beauty and small communities that provide goods produced and grown locally. The area contains numerous tourist attractions, including Muir Woods National Monument, Stinson Beach and Point Reyes

National Seashores, and the Golden Gate National Recreation Area. In total, parkland covers nearly half of the land area comprising West Marin.

West Marin is also known for its small communities providing a slower pace of life than that found in more urban sections of the Bay Area. It is a popular place to visit for both day trips and extended stays. The area boasts many recreational activities, including surfing, hiking, exploring the giant redwoods, and relaxing along the coast at some of the many local food and apparel shops.

The primary retail center in West Marin is the community of Point Reyes Station. Additional communities include Stinson Beach, Bolinas, Olema, Inverness, Inverness Park, Nicasio, Marshall, Tomales, and Dillon Beach. Competing retail centers outside of West Marin that attract spending from its residents include San Anselmo, Fairfax, San Rafael, Novato, Petaluma, and San Francisco.

The area is also a center for Marin County's agricultural sector. Much of the land north of Point Reyes Station is ranchland, with too much topography for other uses. There is also some cropland in the Lagunitas Creek delta at the head of Tomales Bay next to Point Reyes Station.

**Figure 1 – Location Map of West Marin, California**



It is expected that residents of West Marin communities shop at local stores for most of their basic retail needs (such as milk, eggs, and bread, none of which are subject to sales tax). However, some of their taxable transactions are made outside of the area, either because West Marin communities do not have stores that sell the desired products, household members are unaware of the product's availability in the area, or because it is more desirable for the household to purchase the product in another community for some reason. These factors will be explored later in this report.

### **Taxable Sales Leakage**

The following section presents the estimates of household taxable spending leakage. Leakage is defined as residents of an area spending money outside of the area on items subject to sales tax.

#### *The Taxable Spending Model*

In order to analyze the taxable spending potential in West Marin, the Center for Economic Development (CED) at California State University, Chico prepared a retail spending model that estimates demand for taxable sales in West Marin by retail sector. The key to CED's model is an accurate assessment of West Marin's taxable sales demand by retail sector. This assessment is made using the following data:

- Actual taxable sales captured by West Marin in 2007 by retail sector. Marin County sales tax consultant Hinderliter, deLlamas, and Associates provided this data.
- Commodity spending patterns of households in West Marin and California modeled by the Environmental Sciences Research Institute (ESRI) using annual U.S. Department of Commerce, Bureau of Labor Statistics consumer spending surveys. This data is used to adjust the California demand model to match West Marin's unique consumer preferences and disposable income levels.

Why and how local retail spending is different from that of the state as a whole is determined through a psychographic analysis of West Marin residents. This analysis accounts for factors other than raw income differential or differences in consumer preferences based purely on those income levels. For example, this more detailed analysis addresses differences in spending patterns between rural areas and the urban areas that dominate California's economic landscape. Because the non-income demand adjustment factors are not quantifiable, their potential impacts are not used directly in this section. However, differences in spending patterns, implicitly due to psychographic factors, are accounted for by making adjustments to the raw sector estimates using the actual figures from the U.S. Department of Labor, Bureau of Labor Statistics consumer spending surveys.

### Actual Taxable Sales in West Marin and California

Table 1 shows 2007 taxable sales by sector. This table shows the retail sectors available for analysis. These categories were chosen to show the most retail sector detail possible without compromising the confidentiality guidelines for individual businesses. These guidelines stipulate that no data in a sector with three or fewer sales permits, or in which one business is responsible for 80 percent of all sales in that sector, shall be made public. The CED used retail sector combinations that comply with these guidelines.

**Table 1 - Taxable Retail Sales in West Marin and California,  
Thousands of Dollars in 2007**

Retail Sector	West Marin <sup>1</sup>	California <sup>2</sup>
Eating and Drinking Places	\$ 15,285	\$ 51,658,575
Food Stores	\$ 4,036	\$ 22,461,059
Home Furnishings and Second-hand Stores	\$ 315	\$ 13,250,230
Retail Sectors Not Found in West Marin <sup>3</sup>	\$ 0	\$85,491,446
Other Retail Stores	\$ 13,126	\$214,163,792
Business Services and Repair	\$ 3,980	\$ 23,355,672
All Other Outlets	\$ 5,698	\$ 150,669,375
<b>Total Taxable Sales</b>	<b>\$ 42,440</b>	<b>\$ 561,050,149</b>

<sup>1</sup>Source: Hinderliter, deLlamas, and Associates (based on 1% sales tax revenue)

<sup>2</sup> Source: California Board of Equalization

<sup>3</sup>These sectors are not represented in West Marin. They include men's apparel; shoes; household appliance dealers; hardware Stores; new motor vehicles; used motor vehicles; auto supplies and parts; and mobile homes, trailers, and campers. A detailed analysis of these sectors is located in Table 5.

### Commodity Spending Patterns

In order to determine taxable sales potential in West Marin for each of these sectors, the CED used household spending estimates, developed by the Environmental Sciences Research Institute (ESRI), to adjust observed taxable sales patterns in California to better match the retail demand patterns unique to West Marin. These estimates come from spending models determined through Consumer Expenditure Surveys administered by the U.S. Department of Labor, Bureau of Labor Statistics. The models vary by income level and provide the most accurate account of consumer spending by West Marin residents broken out by commodity. A copy of this report can be found in Appendix A.

### Calculating West Marin/California Consumer Demand Adjustment

The fact that taxable sales are reported by retail sector (type of store) while consumer spending estimates are made by type of commodity presents a challenge. There is no direct match between retail sectors and commodities. The CED addressed this by assigning commodities that comprise major components of each retail sector's available

products. For example, the drug stores sector includes not only prescription and nonprescription drugs, but also commodities such as personal care products (makeup, etc.), beverages, and housekeeping supplies, because drug stores often devote a significant amount of store space (typically more than one side of an aisle) to the sale of these commodities. Other items found in most drug stores, such as toys, games, and pet supplies, are not considered to be major commodities in these stores, because they consume less floor space (typically less than one side of an aisle). The CED determined which commodities available in the ESRI spending dataset were major components of the sales for each retail sector listed in Table 2. These assignments are shown in Appendix B.

The net consumer demand adjustment between California and West Marin, which is used to adjust average spending in California to better reflect sales potential in West Marin, is calculated as follows. This calculation is repeated for each of the retail sectors included in Table 1.

$$\frac{\text{West Marin/California Net Consumer Demand Adjustment}}{\text{West Marin Demand for Retail Sector's Major Commodities Per Capita}} = \frac{\text{California Demand for Retail Sector's Major Commodities Per Capita}}{\text{Per Capita Consumer Demand Differential}} + \frac{\text{Per Capita Income Differential}}{}$$

Determining the ratio between the demand for major commodities in for West Marin to that of California for each retail sector requires two calculations:

- 1) The demand patterns of California's consumers are adjusted to account for the unique spending patterns of residents in West Marin (per capita consumer demand differential in the above formula). All of the values are positive, which means that **people in West Marin spend more money at these stores than their income differential can fully explain, either buying more products or paying more for local or higher-quality products.** These values can be negative in areas with average or below average income levels compared with the state. The per capita consumer demand differential may be modified with results from a local survey.
- 2) Consumer demand is adjusted for the per capita income differential between West Marin and the state as a whole (per capita income differential in the above formula). The consumer demand differential varies by retail sector, based on the relative demand for major commodities found within that sector.

**Table 2 - Components of West Marin/California Net Consumer Demand Adjustment**

Retail Sector	Per Capita Consumer Demand Differential	Per Capita Income Differential	West Marin/California Net Consumer Demand Adjustment
Eating and Drinking Places	0.094	1.626	1.720
Food Stores	0.085	1.626	1.711
Home Furnishings and Second-hand Stores	0.213	1.626	1.839
Retail Sectors Not Found in West Marin	0.176	1.626	1.802
Other Retail Stores	0.171	1.626	1.797
Business Services and Repair	0.183	1.626	1.808
All Other Outlets	0.400	1.626	2.025

Source: ESRI Business Information Solutions 2008, U.S. Department of Commerce, Bureau of Economic Analysis, and Center for Economic Development at CSU, Chico

The income differential is constant equal to 1.626 (meaning West Marin's per capita income is 62.6 percent greater than in California as a whole). The components of the net consumer demand adjustment are shown in Table 2.

**Potential Taxable Sales and Leakage**

Per capita taxable sales in California is converted to a per capita taxable spending model by sector for West Marin residents using the net consumer demand adjustment between West Marin and California. Expressed in equation form, retail potential for each retail sector is defined as follows:

$$\text{West Marin Potential Retail Sales} = \frac{\text{California Retail Sales}}{\text{California Population}} \times \frac{\text{West Marin Population}}{\text{West Marin Population}} \times \text{West Marin/California Net Consumer Demand Adjustment}$$

This calculation is shown in Table 3.

**Table 3 - Taxable Retail Potential in West Marin, 2007**

Retail Sector	West Marin/California Net Consumer Demand Adjustment	California Taxable Sales Per Capita <sup>1</sup>	West Marin Taxable Sales Potential Per Capita <sup>2</sup>	West Marin Taxable Sales Potential (Thousands) <sup>3</sup>
Eating and Drinking Places	1.720	\$ 1,370	\$ 2,356	\$ 16,907
Food Stores	1.711	\$ 596	\$ 1,019	\$ 7,313
Home Furnishings and Second-hand Stores	1.839	\$ 351	\$ 646	\$ 4,637
Retail Sectors Not Found in West Marin	1.802	\$ 2,267	\$ 4,085	\$ 29,316
Other Retail Stores	1.797	\$ 5,679	\$ 10,205	\$ 73,230
Business Services and Repair	1.808	\$ 619	\$ 1,120	\$ 8,035
All Other Outlets	2.025	\$ 3,995	\$ 8,090	\$ 58,056
<b>Total Taxable Sales</b>	<b>n/a</b>	<b>\$ 14,877</b>	<b>\$ 27,521</b>	<b>\$ 197,493</b>

<sup>1</sup>Calculated using California's 7/1/2007 population of 37,712,588 estimated by the California Department of Finance.

<sup>2</sup>Calculated as California taxable sales per capita multiplied by West Marin/California consumer demand adjustment.

<sup>3</sup>Calculated using West Marin's Census 2000 population of 7,176, which has not changed significantly as of the date of this report.

Taxable retail leakage is the difference between actual taxable sales and calculated potential taxable sales. The calculation is represented in the following equation:

$$\begin{array}{rcl} \text{Taxable Retail} & \text{Actual} & \text{Potential} \\ \text{Leakage} & = & \text{Taxable} - \text{Taxable} \\ & & \text{(or Surplus)} \quad \text{Retail Sales} \quad \text{Retail Sales} \end{array}$$

This calculation is shown in Table 4. Actual taxable sales can exceed potential in any particular retail sector. This occurs in three of the six taxable sales sectors analyzed. The leakage figures included in Table 4 do not take into account the impact of visitor spending on potential taxable sales.

**Table 4 - Taxable Retail Leakage (Excluding Visitor Spending) in West Marin (Thousands), 2007**

Retail Sector	Potential Taxable Sales	Actual Taxable Sales	Taxable Sales Leakage (-) or Surplus (+) <sup>1</sup>
Eating and Drinking Places	\$ 16,907	\$ 15,285	- \$ 1,622
Food Stores	\$ 7,313	\$ 4,036	- \$ 3,277
Home Furnishings and Second-hand Stores	\$ 4,637	\$ 315	- \$ 4,322
Retail Sectors Not Found in West Marin	\$ 29,316	\$ 0	- \$ 29,316
Other Retail Stores	\$ 73,230	\$ 13,126	- \$ 60,104
Business Services and Repair	\$ 8,035	\$ 3,980	- \$ 4,055
All Other Outlets	\$ 58,056	\$ 5,698	- \$ 52,358
<b>Total Taxable Sales</b>	<b>\$ 197,493</b>	<b>\$ 42,440</b>	<b>- \$ 155,053</b>

<sup>1</sup>Calculated as actual taxable sales minus potential. Actual taxable sales can exceed potential for several reasons, as explained in the following narrative.

While calculated potential taxable sales and leakages by sector may deviate somewhat from the actual local demand for goods, estimated taxable sales leakage is likely to be very close to the totals presented in Table 4. Potential taxable sales to residents of West Marin reached an estimated \$197.5 million in 2007. Actual taxable sales were \$42.4 million, meaning that a net loss of \$155.1 million in potential retail sales is estimated for West Marin. This represents 79 percent of all estimated potential taxable sales from West Marin residents.

*Sectors not found in West Marin*

Table 5 shows retail potential in retail sectors not found in West Marin as of the date of this report. These sectors include stores specializing in one particular type of product. Some of the products in which these stores specialize are found in other stores in West Marin; for example, shoes can be purchased at Cabaline Country Emporium and hardware is available at Ace True-Value—these stores are classified under other specialty retail sectors.

Breaking out this data allows West Marin to choose which sectors to include in the baseline and future evaluation of their buy local campaign that are not currently present in West Marin.

**Table 5 - Sectors Not Found in West Marin, 2007**

Retail Sector	West Marin/ California Net Consumer Demand Adjustment	California Taxable Sales Per Capita	West Marin Taxable Sales Potential Per Capita <sup>1</sup>	West Marin Taxable Sales Potential (Thousands) <sup>2</sup>
Men's apparel specialty stores	1.743	\$ 31	\$ 54	\$ 387
Specialty shoe stores <sup>3</sup>	1.685	\$ 73	\$ 123	\$ 880
Household appliance dealers	1.804	\$ 115	\$ 207	\$ 1,487
Hardware stores not selling lumber <sup>4</sup>	1.922	\$ 104	\$ 201	\$ 1,441
New motor vehicle dealers	1.791	\$ 1,574	\$ 2,819	\$ 20,231
Used motor vehicle dealers	1.788	\$ 165	\$ 295	\$ 2,120
Auto parts and supplies	1.807	\$ 159	\$ 287	\$ 2,058
Mobile homes, trailers, and campers	2.159	\$ 46	\$ 99	\$ 712
<b>Total/Average</b>	<b>1.802</b>	<b>\$ 2,267</b>	<b>\$ 4,085</b>	<b>\$ 29,316</b>

<sup>1</sup>Calculated as California taxable sales per capita multiplied by West Marin/California consumer demand adjustment.

<sup>2</sup>Calculated using West Marin's Census 2000 population of 7,176, which has not changed significantly as of the date of this report.

<sup>3</sup>Cabalone Country Emporium, which offers a selection of footwear, is categorized under "Sporting Goods Stores."

<sup>4</sup>Ace True-Value Hardware is categorized under "Lumber and Building Materials."

## Visitor Spending

As a recreational destination, West Marin has the potential to capture visitor spending in addition to that of local residents. As a sub-county region, estimation of visitor spending can be tricky. Typically, the CED utilizes travel spending estimates from Dean Runyan Associates, which are available at the county level. However, there is no reliable way to break out travel spending in West Marin from the county total. Therefore, the CED relied on travel spending survey data in California that may or may not be representative of West Marin visitors. For future analyses, the CED recommends a local visitor survey to further refine these estimates.

Visitor data was tabulated as visitor-days: the sum of visitors in West Marin each day of the year in 2007. The data was collected through telephone interviews with all state and national parks with visitor spending data in West Marin and a representative sample of ten private lodging establishments. The total number of available rooms in each lodging establishment was confirmed on the Internet or over the telephone, while the survey data was used to convert available rooms to visitor-days by asking for average annual occupancy and average persons per room. Based on this process, the average occupancy for lodging and campgrounds was 52 percent, with an average of 2.4 persons per occupied unit.

**Table 6 - Visitor-Days in West Marin, 2007**

Sites Visited:	Day Use <sup>1</sup>	Campground <sup>2</sup>	Hotel/B&B
Tomales Bay State Park	49,924	0	0
Point Reyes National Seashore <sup>3</sup>	1,269,610	0	0
Mount Tamalpais State Park	54,816	0	0
Samuel P Taylor State Park	25,800	71,258	0
Marconi Conference Center SHP	513	0	11,172
Private Lodging	0	391,073	147,749
<b>Total</b>	<b>1,400,664</b>	<b>462,331</b>	<b>158,921</b>

Source: Telephone interviews of state parks, national parks, and a representative sample of lodging establishments in Marin County.

<sup>1</sup>Includes only non-local visitors who did not stay overnight in West Marin

<sup>2</sup>Does not include backcountry camping.

<sup>3</sup>Data for Point Reyes National Seashore is derived from their 2007 Public Use Report and adjusted to include only non-local residents and day visitors to West Marin using data from the 1997 Visitor Use Survey. Survey results converting day use to non-local visitors were also applied to the other state and national parks surveyed.

Travel spending data per person per day in California is provided by D.K. Shifflet & Associates Ltd., which is a consulting firm that specializes in the travel and lodging industry. Their estimate of spending per person per day by type of spending is shown in Table 7. The “lodging” category is intended to cover direct accommodation expenses only, which are not subject to sales tax. Entertainment expenditures are not subject to a sales tax unless a product (such as a souvenir) is purchased at an entertainment establishment, in which case the spending is included under shopping. Transportation expenditures are assumed to occur outside of West Marin (filling up with gasoline before coming over the hill, for example). The remaining three sectors have a significant taxable sales component. The CED assumed that 75 percent of food expenditures (including restaurant and food store spending), 90 percent of shopping expenditures, and 50 percent of miscellaneous expenditures are taxable. These assumptions are based on quantified results available from previous retail leakage analyses conducted by the CED, where sufficient data existed to make the calculation.

**Table 7 - Visitor Spending Calculation**

Spending Category	Leisure Spending per Person per Day	Taxable Spending per Person per Day		Total Visitor Spending	
		Campgrounds & Day Visitors	Hotel/B&B	Campgrounds & Day Visitors	Hotel/B&B
Food	\$ 28.50	\$ 6.33	\$ 21.38	\$ 11,798,968	\$ 3,396,937
Lodging	\$ 13.00	\$ 0.00	\$ 0.00	\$ 0	\$ 0
Shopping	\$ 21.90	\$ 4.93	\$ 19.71	\$ 9,179,908	\$ 3,132,334
Entertainment	\$ 18.30	\$ 0.00	\$ 0.00	\$ 0	\$ 0
Miscellaneous	\$ 6.20	\$ 1.55	\$ 3.10	\$ 2,887,642	\$ 492,655
Transportation <sup>1</sup>	\$ 31.70	\$ 0.00	\$ 0.00	\$ 0	\$ 0
<b>Total Visitor Spending<sup>2</sup></b>	<b>\$ 119.70</b>	<b>\$ 10.35</b>	<b>\$ 44.19</b>	<b>\$ 19,276,565</b>	<b>\$ 7,021,927</b>
<b>Total Visitor Spending</b>				<b>\$30,888,445</b>	

<sup>1</sup>Some visitor spending may occur, although the amount is not knowable and it is expected that most visitors make transportation purchases (gasoline, etc.) at their place of origin.

<sup>2</sup>Total may not equal sum due to independent rounding

Source: D.K. Shifflet & Associates Ltd. and the Center for Economic Development at California State University, Chico.

Travel spending estimated from the model accounts for an additional \$30.9 million in unmet potential taxable spending in West Marin. When this estimate is combined with the calculated leakage of \$155.1 million from Table 4, the total taxable retail sales leakage in West Marin reaches \$185.9 million (with independent rounding). This is broken down by sector in Table 8, where possible. Because food expenditures could be at restaurants or food stores, and shopping/miscellaneous expenditures could be at furniture and appliances or other retail stores, these categories were combined.

**Table 8 - Taxable Sales Leakage Adjusted for Visitor Spending (Thousands)**

	Visitor spending	Net Leakage	Leakage (-) or Capture (+) from Residents and other non-leisure spending
Eating and Drinking Places and Food Stores	\$ 15,196	- \$ 4,899	- \$ 20,095
Home Furnishings and Other Retail Stores	\$ 12,312	- \$ 64,426	- \$ 76,738
Retail Sectors Not Found in West Marin	\$ 0	- \$ 29,316	- \$ 29,316
Business Services and Repair	\$ 0	- \$ 4,055	- \$ 4,055
All Other Outlets	\$ 3,380	- \$ 52,358	- \$ 55,738
<b>Total Taxable Sales</b>	<b>\$ 30,888</b>	<b>- \$ 155,053</b>	<b>- \$ 185,941</b>

The estimated taxable sales potential of visitor spending (\$30.9 million) plus the estimated potential from West Marin residents (\$197.5 million) brings the total retail

potential in West Marin reaches \$228.4 million. Leakage of \$185.9 million represents about 81 percent of total potential sales from residents and visitors.

Visitor spending of \$30.9 million in West Marin is responsible for 73 percent of the \$42.4 million in all taxable sales for the area, according to this analysis. When considering this relationship, note that seasonal residents are not included in the residential spending potential. They are considered to be non-local visitors if they also go to local state or national parks. If they do not visit these parks, they are not counted at all, because no data exists that would allow the CED to do so. Therefore, if a significant share of local taxable sales are to seasonal residents, this might explain the large percentage of taxable sales going to visitors. Another explanation for the large number might be imprecise data on visitor spending as it applies to West Marin visitors. Either the number of day visitors is overestimated at the National Parks (possible if many people visit more than one park per day), is the spending per person per day is overestimated (possible if people spend less than the national surveyed average for leisure trips). A survey of visitors is recommended to address this question.

Seasonal residents may constitute a significant portion of the local population. TLFWM estimates that there are 11,000 residents in West Marin, and if only 7,200 residents are permanent, then 3,800 residents are seasonal. According to Census 2000, there are 1,101 housing units in West Marin that are for “seasonal, recreational, or occasional use,” which represents 26.5 percent of all housing units in the area. Clearly, these residents represent a significant sales potential that is not included in the current analysis. In order to evaluate the potential spending of seasonal residents, a household survey that included questions about the number of months spent in West Marin and their spending patterns when they are visiting would have to be conducted.

Given the high volume of total leakage in “other retail stores” (Table 4), which includes gift shops and other stores at which visitors are most likely to spend money, the CED believes the travel spending estimates for retail goods is higher than actual visitor spending in West Marin. However, no data is available at this time to confirm or revise this spending estimate, so it remains as is for now. The CED recommends a future study to measure actual visitor spending per visitor-day for West Marin. This data can be used to produce more reliable visitor spending estimates for future leakage analyses.

### **Business Spending Leakage**

Businesses in West Marin spend an even greater amount on goods and services than do households, both in terms of total dollar value and in the percent of cost of goods and services purchased. As with household spending, reducing business spending leakage depends on increasing the availability of products and services demanded by West Marin businesses, as well as marketing these products and services to them. Most business leakage occurs due to the lack of local alternatives. For example, the business sector with the greatest leakage—real estate—includes a lot of services not available in West Marin

such as mortgage brokerages, property management, and rental services. The sector also includes the use of real estate sales agents that are not located in West Marin.

### ***Methodology***

To estimate business spending leakage, the CED utilized an economic model provided by the Minnesota IMPLAN Group. IMPLAN models dollar flows in the local economy by using a mathematical matrix that estimates flows between 495 private industries; nine government sectors; households; and seven other miscellaneous sectors covering foreign trade, domestic trade, and all other monetary transactions not related to any of the above (such as depreciation). IMPLAN uses the Regional Input-Output Multipliers System (RIMS) data and employment and income estimates available publicly from the U.S. Department of Commerce, Bureau of Economic Analysis to create economic models at the county and zip code level. By providing a model that measures dollar flows that include trade into and out of the study area, IMPLAN can be used to estimate business spending leakage broken down by recipient IMPLAN sector. In other words, the analysis produces an estimate of how much West Marin businesses spend outside of West Marin by IMPLAN sector.

IMPLAN models include estimates of business revenue, employment, payroll, rental and other property type income, and indirect business taxes for each of 509 industry sectors. The CED ordered a customized model for the nine zip codes comprising West Marin<sup>1</sup>.

### ***Results***

West Marin Businesses spend nearly \$116 million for products and services outside of the area. This represents 61 percent of the cost of all goods and services purchased by West Marin businesses. These values do not include payroll, rent, or tax payments, so they do not measure the percentage of spending at these businesses that is returned to the community. Estimating these is beyond the scope of this document.

Table 8 lists the top 22 sectors (sectors to which West Marin businesses spend more than \$1,000,000 per year outside of West Marin). For example, the first row of the table states that West Marin businesses probably purchase a total of nearly \$6.5 million worth of products and services from real estate companies outside of West Marin. This includes lessors of buildings, real estate agents or brokers, property managers, appraisers, and others associated with real estate management and sales. Targeting spending at businesses in these sectors, either by encouraging local businesses to provide more of these services and/or educating local businesses about availability of these services in West Marin, is most likely to result in leakage reductions.

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<sup>1</sup> The CED did not use the IMPLAN spending model for West Marin exactly as provided. The Center removed the appearance of Lucas Ranch, a large movie production studio in Nicasio's zip code of 94946. While its presence is invaluable to the local economy, TLFWM specifically indicated that this business is not considered a part of West Marin so as not to skew the spending leakage calculations of businesses closer to the coast.

**Table 9 - Top 22 Sectors in with the Highest Leakage in Dollars from West Marin, 2006**

IMPLAN Sector	Description	Leakage
431	Real estate	\$ 6,474,656
439	Architectural and engineering services	\$ 5,384,334
454	Employment services	\$ 4,094,452
422	Telecommunications	\$ 3,789,305
427	Insurance carriers	\$ 3,729,418
451	Management of companies and enterprises	\$ 3,669,991
142	Petroleum refineries	\$ 3,557,986
425	Credit, financing, and loan brokerages	\$ 3,310,619
390	Wholesale trade	\$ 3,226,385
30	Power generation and supply	\$ 3,177,981
452	Office administrative services	\$ 2,977,353
437	Legal services	\$ 2,813,961
430	Banking	\$ 2,600,227
394	Truck transportation	\$ 1,926,964
455	Business support services	\$ 1,882,373
447	Advertising and related services	\$ 1,542,055
47	Other animal food manufacturing	\$ 1,403,007
10	All other crop farming	\$ 1,306,373
436	Lessors of nonfinancial intangible assets	\$ 1,236,667
192	Ready-mix concrete manufacturing	\$ 1,085,191
459	Other support services	\$ 1,055,612
423	Information services	\$ 1,049,357

Source: IMPLAN Economic Impact Analysis System and Center for Economic Development at California State University, Chico.

### **Conclusions: What Does Leakage Mean for Us?**

Residents of West Marin spend nearly \$155.1 million in taxable goods and services outside of the area. There is no reliable way to estimate non-local spending on nontaxable items and services without a residential survey to collect this information. Businesses spend nearly \$116 million on goods and services outside of West Marin. Reducing these leakages should be the goal of Think Local First West Marin's "Buy Local" campaign.

However, calculated leakage may or may not mean that opportunities exist to start additional businesses or expand current businesses specifically to capture that leakage. The figures in this report show statistical discrepancies between adjusted average

spending patterns in California households and spending captured in West Marin from its market area. There are a number of possible reasons for calculated leakage:

1. Households may be purchasing a particular item in another community, such as Petaluma, San Rafael, or San Francisco. These purchases may occur for several reasons, including too few West Marin stores in a specific sector to meet local demand, or household members commuting to these other communities and choosing to make purchases near their workplace, regardless of the availability of local outlets. West Marin businesses that can compete with stores in other communities on price and service are more likely to attract customers.
2. West Marin households may be purchasing items from stores classified in another sector that are typically sold in stores under the sector showing leakage. An example is that West Marin households might be buying more products directly from producers or growers (for example, at the local farmer's market) than can be captured in the estimates. Producers and growers selling directly to individuals are included in "all other outlets" rather than any retail category.
3. West Marin household demand for items sold in a specific sector might be different than the average for households in the state. For example, households may demand more products from environmentally friendly product stores than what is explained through differences in income and psychographic profiles.

Whichever of these factors is responsible for the calculated leakage in any particular sector, there still may be potential for business expansion if households change their current spending behavior and patterns. Perhaps this can be accomplished through advertising and increased competitiveness of local stores in terms of price and/or service, with stores in other sectors or communities currently capturing the estimated leakage.

There are at least several retail sectors and/or retail products for which there will always be significant leakage. These sectors will never be present in West Marin. One example is automobile sales. The location of auto dealerships in West Marin is not technically feasible due to issues including but not limited to zoning, agricultural preservation, and availability of buildable/developable land. The availability of resources may limit the development of other sectors in West Marin, as well (for example, oil refineries). Therefore, TFWM does not expect all retail and business spending leakage to be captured, but rather, that there will be continuous progress toward capturing more local spending in the years ahead.

The CED does not recommend business investment based solely on this analysis. Investors should conduct their own independent business feasibility analysis before opening a store with the intent to capture spending leakage in West Marin.

**Appendix A: ESRI Consumer Spending Estimates for West Marin and California**

The following pages contain an output report from ESRI's Business Analyst software and show the consumer spending estimates used in West Marin/California net consumer demand adjustment.



West Marin Commodity Demand  
Retail Goods and Services

Summary	2006	2011
Population	6,299	6,348
Households	2,592	2,612
Families	1,446	1,453

	Spending Potential Index	Average Amount Spent	Total
<b>Apparel and Services</b>	120	\$3,265.37	\$8,463,830
Men's	130	\$671.37	\$1,740,200
Women's	111	\$1,032.17	\$2,675,392
Children's	128	\$568.15	\$1,472,638
Footwear	65	\$323.48	\$838,472
Watches & Jewelry	177	\$331.27	\$858,653
Apparel Products and Services	230	\$338.92	\$878,475
<b>Computer</b>			
Computers and Hardware for Home Use	176	\$397.43	\$1,030,134
Software and Accessories for Home Use	177	\$55.80	\$144,626
<b>Entertainment &amp; Recreation</b>	170	\$5,627.36	\$14,586,130
<b>Fees and Admissions</b>	180	\$1,098.24	\$2,846,638
Membership Fees for Clubs	177	\$290.00	\$751,680
Fees for Participant Sports, excl. Trips	186	\$210.88	\$546,612
Admission to Movie/Theatre/Opera/Ballet	181	\$266.58	\$690,983
Admission to Sporting Events, excl. Trips	175	\$99.80	\$258,683
Fees for Recreational Lessons	182	\$230.97	\$598,680
<b>TV/Video/Sound Equipment</b>	159	\$1,737.20	\$4,502,826
Community Antenna or Cable Television	155	\$928.71	\$549,605
Color Televisions	168	\$212.04	\$2,407,212
VCRs, Video Cameras, and DVD Players	167	\$66.78	\$173,084
Video Cassettes and DVDs	164	\$84.85	\$219,923
Video Game Hardware and Software	154	\$55.11	\$142,854
Satellite Dishes	188	\$4.14	\$10,731
Rental of Video Cassettes and DVDs	160	\$99.20	\$257,135
Sound Equipment	165	\$276.69	\$717,176
Rental and Repair of TV/Sound Equipment	162	\$9.69	\$25,106
Pets	191	\$791.49	\$2,051,532
Toys and Games	154	\$301.81	\$782,296
Recreational Vehicles and Fees	192	\$784.38	\$2,033,104
Sports/Recreation/Exercise Equipment	132	\$297.45	\$770,990
Photo Equipment and Supplies	166	\$234.51	\$607,854
Reading	175	\$382.29	\$990,890
<b>Food</b>	161	\$13,274.20	\$34,406,729
<b>Food at Home</b>	159	\$7,846.41	\$20,337,903
Bakery and Cereal Products	159	\$1,152.04	\$2,986,077
Meats, Poultry, Fish, and Eggs	165	\$2,015.96	\$5,225,374
Dairy Products	161	\$857.80	\$2,223,406
Fruits and Vegetables	166	\$1,424.86	\$3,693,230
Snacks and Other Food at Home	158	\$2,395.76	\$6,209,816
<b>Food Away from Home</b>	163	\$5,427.79	\$14,068,826

## West Marin Taxable Retail Potential Analysis

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Alcoholic Beverages	168	\$966.03	\$2,503,947
Nonalcoholic Beverages at Home	158	\$664.14	\$1,721,447
<b>Financial</b>			
Investments	262	\$12,243.54	\$31,735,254
Vehicle Loans	155	\$9,206.14	\$23,862,308
<b>Health</b>			
Nonprescription Drugs	157	\$179.20	\$464,478
Prescription Drugs	156	\$887.23	\$2,299,704
Eyeglasses and Contact Lenses	167	\$143.01	\$370,691
<b>Home</b>			
Mortgage Payment and Basics	185	\$15,118.79	\$39,187,897
Maintenance and Remodeling Services	193	\$3,435.24	\$8,904,133
Maintenance and Remodeling Materials	166	\$604.94	\$1,567,994
Utilities, Fuel, and Public Services	155	\$6,577.81	\$17,049,681
<b>Household Furnishings and Equipment</b>			
Household Textiles	178	\$237.18	\$614,768
Furniture	175	\$1,081.60	\$2,803,508
Floor Coverings	206	\$173.25	\$449,075
Major Appliances	177	\$504.43	\$1,307,483
Housewares	144	\$148.19	\$384,110
Small Appliances	171	\$63.63	\$164,940
Luggage	183	\$18.79	\$48,703
Telephones and Accessories	69	\$38.61	\$100,066
<b>Household Operations</b>			
Child Care	162	\$674.05	\$1,747,132
Lawn and Garden	171	\$742.59	\$1,924,798
Moving/Storage/Freight Express	196	\$102.17	\$264,823
Housekeeping Supplies	161	\$1,211.31	\$3,139,708
<b>Insurance</b>			
Owners and Renters Insurance	166	\$730.90	\$1,894,484
Vehicle Insurance	163	\$2,238.00	\$5,800,894
Life/Other Insurance	165	\$1,066.31	\$2,763,885
Health Insurance	161	\$2,899.50	\$7,515,508
Personal Care Products	163	\$735.85	\$1,776,698
School Books and Supplies	154	\$179.87	\$466,230
Smoking Products	138	\$685.45	\$1,776,698
<b>Transportation</b>			
Vehicle Purchases (Net Outlay)	158	\$9,272.76	\$24,034,987
Gasoline and Motor Oil	157	\$2,913.59	\$7,552,037
Vehicle Maintenance and Repairs	175	\$1,872.69	\$4,854,021
<b>Travel</b>			
Airline Fares	189	\$742.56	\$1,924,728
Lodging on Trips	180	\$714.07	\$1,850,878
Auto/Truck/Van Rental in Trips	196	\$88.92	\$230,485
Food and Drink on Trips	178	\$816.31	\$2,115,878

Source: ESRI, 2006 Estimates and Projections



California Commodity Demand  
Retail Goods and Services

Summary	2006	2011
Population	37,236,136	40,214,922
Households	12,410,852	13,311,863
Families	8,572,183	9,210,213

	Spending Potential Index	Average Amount Spent	Total
<b>Apparel and Services</b>			
Men's	93	\$480.21	\$5,959,765,265
Women's	79	\$733.26	\$9,100,346,905
Children's	101	\$450.40	\$5,589,856,995
Footwear	48	\$239.84	\$2,976,603,625
Watches & Jewelry	122	\$228.40	\$2,834,642,260
Apparel Products and Services	176	\$259.14	\$3,216,198,086
<b>Computer</b>			
Computers and Hardware for Home Use	122	\$275.86	\$3,423,614,592
Software and Accessories for Home Use	123	\$38.85	\$482,177,707
<b>Entertainment &amp; Recreation</b>			
<b>Fees and Admissions</b>			
Membership Fees for Clubs	117	\$191.85	\$2,381,008,496
Fees for Participant Sports, excl. Trips	121	\$136.97	\$1,699,896,872
Admission to Movie/Theatre/Opera/Ballet	129	\$189.86	\$2,356,318,929
Admission to Sporting Events, excl. Trips	119	\$68.14	\$845,693,495
Fees for Recreational Lessons	125	\$158.11	\$1,962,244,249
<b>TV/Video/Sound Equipment</b>			
Community Antenna or Cable Television	111	\$665.35	\$8,257,612,630
Color Televisions	120	\$151.14	\$1,875,802,534
VCRs, Video Cameras, and DVD Players	122	\$48.98	\$607,927,966
Video Cassettes and DVDs	121	\$62.87	\$780,280,182
Video Game Hardware and Software	118	\$42.07	\$522,134,242
Satellite Dishes	120	\$2.65	\$32,893,149
Rental of Video Cassettes and DVDs	123	\$75.89	\$941,896,915
Sound Equipment	120	\$200.82	\$2,492,376,968
Rental and Repair of TV/Sound Equipment	118	\$7.04	\$87,324,622
Pets	126	\$521.67	\$6,474,409,682
Toys and Games	113	\$222.11	\$2,756,627,462
Recreational Vehicles and Fees	112	\$459.47	\$5,702,392,004
Sports/Recreation/Exercise Equipment	89	\$200.95	\$2,493,970,843
Photo Equipment and Supplies	117	\$165.32	\$2,051,815,821
Reading	117	\$256.27	\$3,180,519,088
<b>Food</b>			
<b>Food at Home</b>			
Bakery and Cereal Products	117	\$843.30	\$10,466,088,533
Meats, Poultry, Fish, and Eggs	116	\$1,494.92	\$18,553,248,492
Dairy Products	117	\$626.18	\$7,771,438,093
Fruits and Vegetables	121	\$1,038.77	\$12,892,062,366
Snacks and Other Food at Home	115	\$1,744.19	\$21,646,898,620

## West Marin Taxable Retail Potential Analysis

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<b>Food Away from Home</b>	118	\$3,944.90	\$48,959,512,096
Alcoholic Beverages	121	\$697.04	\$8,650,902,456
Nonalcoholic Beverages at Home	116	\$487.02	\$6,044,344,550
<b>Financial</b>			
Investments	148	\$6,925.43	\$85,950,453,677
Vehicle Loans	111	\$6,582.50	\$81,694,422,473
<b>Health</b>			
Nonprescription Drugs	111	\$126.02	\$1,564,072,347
Prescription Drugs	100	\$566.87	\$7,035,343,102
Eyeglasses and Contact Lenses	112	\$96.47	\$1,197,222,597
<b>Home</b>			
Mortgage Payment and Basics	120	\$9,804.58	\$121,683,172,180
Maintenance and Remodeling Services	118	\$2,104.98	\$26,124,545,354
Maintenance and Remodeling Materials	111	\$403.01	\$5,001,698,607
Utilities, Fuel, and Public Services	111	\$4,686.85	\$58,167,806,716
<b>Household Furnishings and Equipment</b>			
Household Textiles	121	\$160.88	\$1,996,641,002
Furniture	120	\$740.67	\$9,192,371,354
Floor Coverings	128	\$107.64	\$1,335,894,871
Major Appliances	117	\$334.16	\$4,147,182,473
Housewares	97	\$100.04	\$1,241,608,188
Small Appliances	118	\$43.85	\$544,224,076
Luggage	123	\$12.64	\$156,905,241
Telephones and Accessories	50	\$28.18	\$349,735,410
<b>Household Operations</b>			
Child Care	125	\$520.18	\$6,455,915,876
Lawn and Garden	107	\$463.40	\$5,751,217,136
Moving/Storage/Freight Express	134	\$70.03	\$869,091,303
Housekeeping Supplies	114	\$858.19	\$10,650,903,651
<b>Insurance</b>			
Owners and Renters Insurance	106	\$468.05	\$5,808,946,663
Vehicle Insurance	115	\$1,583.07	\$19,647,242,806
Life/Other Insurance	106	\$689.35	\$8,555,478,156
Health Insurance	107	\$1,924.49	\$23,884,575,048
Personal Care Products	119	\$534.53	\$6,443,945,099
School Books and Supplies	118	\$138.64	\$1,720,688,896
Smoking Products	105	\$519.22	\$6,443,945,099
<b>Transportation</b>			
Vehicle Purchases (Net Outlay)	112	\$6,543.28	\$81,207,720,672
Gasoline and Motor Oil	113	\$2,099.06	\$26,051,126,541
Vehicle Maintenance and Repairs	121	\$1,296.77	\$16,094,058,255
<b>Travel</b>			
Airline Fares	125	\$493.40	\$6,123,547,872
Lodging on Trips	116	\$459.76	\$5,706,050,627
Auto/Truck/Van Rental in Trips	126	\$57.01	\$707,572,453
Food and Drink on Trips	118	\$538.78	\$6,686,674,578

Source: ESRI, 2006 Estimates and Projections

**Data Note:** The **Spending Potential Index (SPI)** is household-based, and represents the amount spent for a product or service relative to a national average of 100. Detail may not sum to totals due to rounding.

**Source:** Expenditure data are derived from the 2001, 2002, and 2003 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2006 and 2011.

**Definitions:**

**Apparel Products and Services** includes material for making clothes, sewing patterns and notions, shoe repair and other shoe services, apparel laundry and dry cleaning, alteration, repair and tailoring of apparel, clothing rental and storage, and watch and jewelry repair.

**Membership Fees for Clubs** includes membership fees for social, recreational, and civic clubs.

**Sound Equipment** includes sound components and systems, CDs, tapes, records, needles, tape recorders, radios, musical instruments and accessories, and rental and repair of musical instruments.

**Recreational Vehicles & Fees** includes docking and landing fees for boats and planes, purchase and rental of RVs or boats, and camp fees.

**Sports/Recreation/Exercise Equipment** includes exercise equipment and gear, game tables, bicycles, camping equipment, hunting and fishing equipment, winter sports equipment, water sports equipment, other sports equipment, and rental/repair of sports/recreation/exercise equipment.

**Photo Equipment and Supplies** includes film, film processing, photographic equipment, rental and repair of photo equipment, and photographer fees.

**Reading** includes newspapers, newspaper subscriptions, magazines, magazine subscriptions, and books.

**Snacks and Other Food at Home** includes candy, chewing gum, sugar, artificial sweeteners, jam, jelly, preserves, margarine, fat, oil, salad dressing, nondairy cream and milk, peanut butter, frozen prepared food, potato chips, nuts, salt, spices, seasonings, olives, pickles, relishes, sauces, gravy, other condiments, soup, prepared salad, prepared dessert, baby food, miscellaneous prepared food, and nonalcoholic beverages.

**Mortgage Payment and Basics** includes mortgage interest, mortgage principal, property taxes, homeowners insurance, and ground rent.

**Maintenance and Remodeling Materials** includes equipment for painting and wallpapering, plumbing supplies and equipment, electrical/heating/AC supplies, materials for hard surface flooring, materials for roofing/gutters, materials for patio/fence/brick work, landscaping materials, insulation materials, and materials to finish a basement, for owned homes.

**Household Textiles** includes bathroom linens, bedroom linens, kitchen linens, dining room linens, other linens, curtains, draperies, slipcovers, decorative pillows, and materials for slipcovers and curtains.

**Major Appliances** includes dishwashers, disposals, refrigerators, freezers, washers, dryers, stoves, ovens, microwaves, window air conditioners, electric floor cleaning equipment, sewing machines, and miscellaneous appliances.

**Housewares** includes plastic dinnerware, china, flatware, glassware, serving pieces, nonelectric cookware, and tableware.

**Lawn and Garden** includes lawn and garden supplies, equipment and care service, indoor plants, fresh flowers, and repair/rental of lawn and garden equipment.

**Housekeeping Supplies** includes soaps and laundry detergents, cleaning products, toilet tissue, paper

towels, napkins, paper/plastic/foil products, stationery, gift wrapping supplies, postage, and delivery services.

**Personal Care Products** includes hair care products, nonelectric articles for hair, wigs, hairpieces, oral hygiene products, shaving needs, perfume, cosmetics, skincare, bath products, nail products, deodorant, feminine hygiene products, and personal care appliances.

**School Books and Supplies** includes books and supplies for college, elementary school, high school, and preschool.

**Vehicle Purchases (Net Outlay)** includes net outlay for new and used cars, trucks, vans, motorcycles, and motor scooters.

## **Appendix B: ESRI Consumer Spending by Commodity Matched to Retail Sectors Available for Analysis**

The CED made these determinations. Adjustments to these matchings may produce minor changes to the final taxable sales leakage/capture estimates, although they would not significantly affect the analysis.

### **Eating and Drinking Places**

- Food - Food Away from Home (total)

### **Food Stores**

- Smoking Products
- Food - Food at Home (total)
- Nonalcoholic Beverages at Home

### **Furniture and Appliances**

- Furniture
- Major Appliances
- Small Appliances
- Telephones and Accessories

### **All Other Retail Stores**

- Apparel and Services (total)
- Computers & Hardware for Home Use
- Software & Accessories for Home Use
- Community Antenna or Cable TV
- Color TVs
- VCRs/Video Cameras & DVD Players
- Video Cassettes & DVDs
- Video Game Hardware & Software
- Satellite Dishes
- Sound Equipment
- Pets
- Toys and Games
- Recreational Vehicles & Fees
- Sports/Rec/Exercise Equipment
- Photo Equipment and Supplies
- Reading
- Nonprescription Drugs
- Prescription Drugs
- Eyeglasses and Contact Lenses
- Maintenance and Remodeling Materials
- Household Textiles
- Floor Coverings
- Housewares

- Luggage
- Lawn and Garden
- Housekeeping Supplies
- Personal Care Products
- School Books and Supplies
- Vehicle Purchases (Net Outlay)
- Gasoline and Motor Oil

### **Business Services and Repair**

- Entertainment - Fees & Admissions (total)
- Rental of Video Cassettes & DVDs
- Rental/Repair of TV/VCR/Sound Equipment
- Vehicle Maintenance & Repairs

### **All Other Outlets**

- Maintenance & Remodeling Services
- Moving/Storage/Freight Express

### **Sectors Not Present in West Marin**

- Maintenance & Remodeling Services

#### **Men's apparel**

- Men's Apparel

#### **Shoes**

- Footwear

#### **Household appliance dealers**

- Color TVs
- VCRs/Video Cameras & DVD Players
- Video Cassettes & DVDs
- Video Game Hardware & Software
- Satellite Dishes
- Major Appliances
- Small Appliances
- Other HH Items - Telephones & Accessories

#### **Hardware Stores**

- Maintenance & Remodeling Materials
- Household Textiles
- Floor Coverings
- Major Appliances
- Housewares
- Small Appliances
- Other HH Items - Telephones & Accessories
- Lawn & Garden

#### **New motor vehicles**

- Transportation - Vehicle Purchases (Net Outlay)

- Vehicle Maintenance & Repairs

**Used motor vehicles**

- Transportation - Vehicle Purchases (Net Outlay)

**Auto supplies and parts**

- Vehicle Maintenance & Repairs

**Mobile homes, trailers, campers**

- Recreational Vehicles & Fees