

Q3 2014

LIVERMORE

City of Livermore Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (July - September 2014)

Livermore In Brief

Receipts for Livermore's July through September sales were 8.2% higher than the same quarter one year ago.

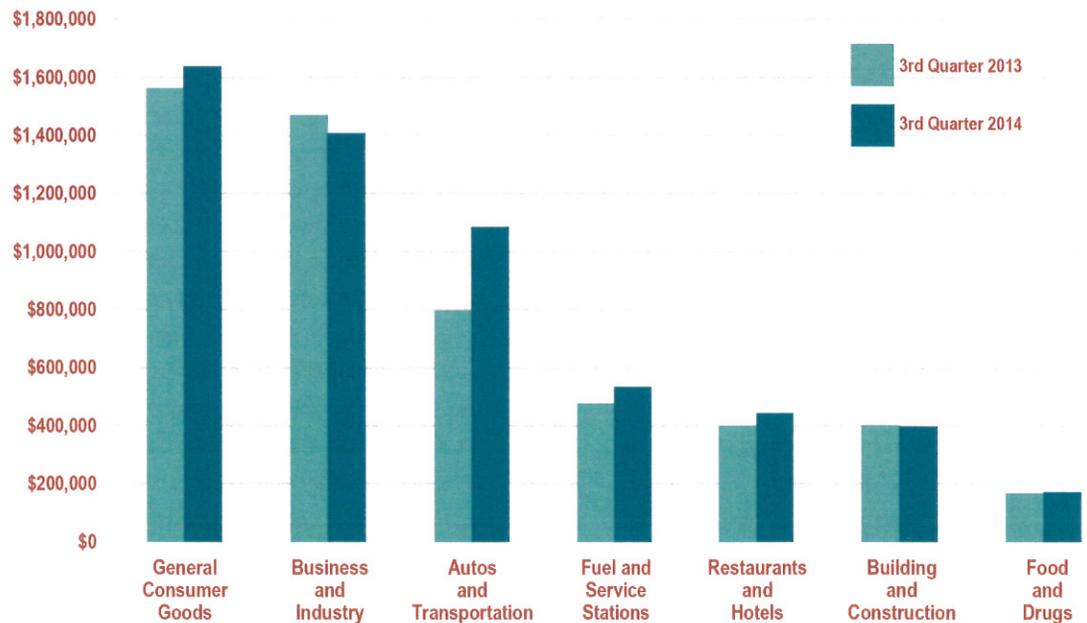
Recent additions helped boost revenues from new car dealers, restaurants and sellers of electrical equipment. The city experienced a strong sales quarter for family apparel, shoe stores and trailers/RVs.

Reporting problems temporarily depressed receipts from light industrial/printers, while a late payment in the comparison period exaggerated lumber/building materials returns.

The city's allocation from the countywide use tax pool increased overall results.

Adjusted for aberrations, taxable sales for all of Alameda County increased 7.0% over the comparable time period, while the Bay Area as a whole was up 6.6%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

AMS Net	Macpherson
Costco	Western Tool Supply
Harris Rebar	Mobile Modular Management
Home Depot	Porsche of Livermore
J A Momaney Services	Prada
Jifco	Quik Stop Market
Kaiser Pharmacy	Safeway
Lawrence Livermore National Laboratory	Safeway Fuel
Livermore Audi/Subaru/Honda	Solar Universe
Livermore Ford Lincoln Mitsubishi	Target
Livermore Toyota & Scion	Tommy Hillfiger
Lowes	US Foodservice
	Walmart
	Waxies

REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2013-14	2014-15
Point-of-Sale	\$11,965,752	\$11,391,598
County Pool	1,748,222	1,751,001
State Pool	6,812	8,484
Gross Receipts	\$13,720,786	\$13,151,084
Less Triple Flip*	\$(3,430,196)	\$(3,287,771)

*Reimbursed from county compensation fund

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California Overall

With payment aberrations removed, local sales tax revenues rose 5.5% over the comparable quarter of July through September 2013.

The largest gains were from the countywide use tax pools which have been boosted by the rising shift to online shopping and involve a larger portion of goods shipped from out-of-state. Rising sales from auto dealers and restaurants, high tech Silicon Valley business activities, and Southern California construction also contributed.

Among general consumer goods, discount department stores, value priced apparel, home goods, pet and personal care products outperformed other categories.

The Impact of Falling Gas Prices on Sales Tax

Fuel prices plunged to a 5 year low in December with predictions that expanded North American oil production, gains in fuel efficiency and a sluggish international economy will sustain lower gas prices through much of 2015.

Not all of the estimated \$50 to \$75 per month family savings will be spent on taxable goods. Part will be absorbed by rising costs of food and other non-taxable necessities and by the ongoing shift in buying habits from purchases of taxable goods to non-taxable services, cellphone fees and internet access.

Among the various economic segments that make up each agency's sales tax base, grocers, drug stores and restaurants should benefit most. Extra disposable income translates into more travel, dining out and impulse purchases of taxable items while shopping for food and necessities.

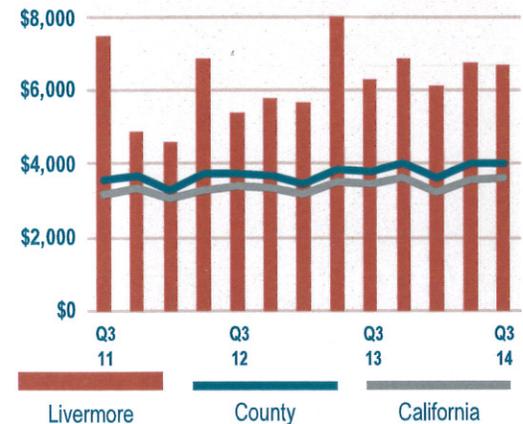
Despite intensive price competition, tax gains from general con-

sumer goods can also be expected although accelerating online shopping will shift much of the growth to the countywide allocation pools rather than brick and mortar stores.

Agencies with auto dealerships are also benefiting as lower fuel prices and increased fuel efficiency have buyers choosing more costly SUVs and accessories. Gains in home improvement purchases are anticipated although the tax will be distributed via countywide pools if the sale includes onsite installation.

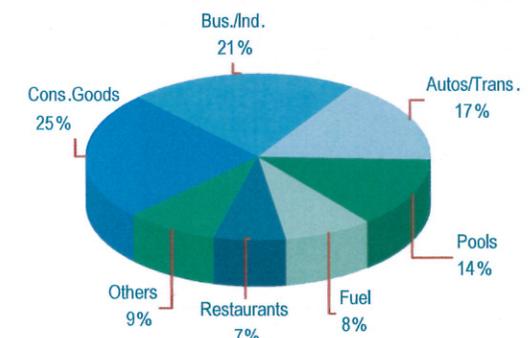
The major losing tax segment will be in fuel/service stations. The losses will be partially offset by increased travel/fuel consumption and by added costs associated with new green emission requirements that went into effect January 1. Even so, substantial declines from service stations, truck stops, bulk and jet fuel operators and petroleum industry suppliers should be anticipated. In the business/industry segment, tax from capital investment in new alternative energy and oil production projects is likely to slow.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP

Livermore This Quarter



LIVERMORE TOP 15 BUSINESS TYPES

Business Type	*In thousands			
	Livermore Q3 '14*	Livermore Change	County Change	HdL State Change
Casual Dining	218.2	4.6%	15.2%	6.1%
Contractors	100.8	-10.2%	2.2%	11.6%
Discount Dept Stores	— CONFIDENTIAL —	—	4.2%	2.5%
Drugs/Chemicals	118.6	-1.3%	14.1%	8.2%
Electrical Equipment	142.1	22.1%	-3.4%	8.6%
Family Apparel	502.4	7.0%	7.2%	5.9%
Food Service Equip./Supplies	— CONFIDENTIAL —	—	9.3%	9.5%
Heavy Industrial	261.9	-1.1%	4.6%	10.1%
Light Industrial/Printers	190.3	-13.6%	4.3%	5.4%
Lumber/Building Materials	182.6	12.3%	1.7%	4.6%
New Motor Vehicle Dealers	762.9	49.8%	11.1%	8.0%
Quick-Service Restaurants	155.0	5.2%	6.2%	8.4%
Service Stations	517.6	1.6%	2.9%	1.2%
Shoe Stores	113.8	15.8%	18.9%	6.4%
Specialty Stores	119.2	11.6%	4.2%	6.0%
Total All Accounts	\$5,671.4	7.6%	7.1%	5.5%
County & State Pool Allocation	\$894.4	12.0%	11.4%	10.2%
Gross Receipts	\$6,565.9	8.2%	7.6%	6.1%