

# Q1 2016

LIVERMORE

# City of Livermore Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2016)

## Livermore In Brief

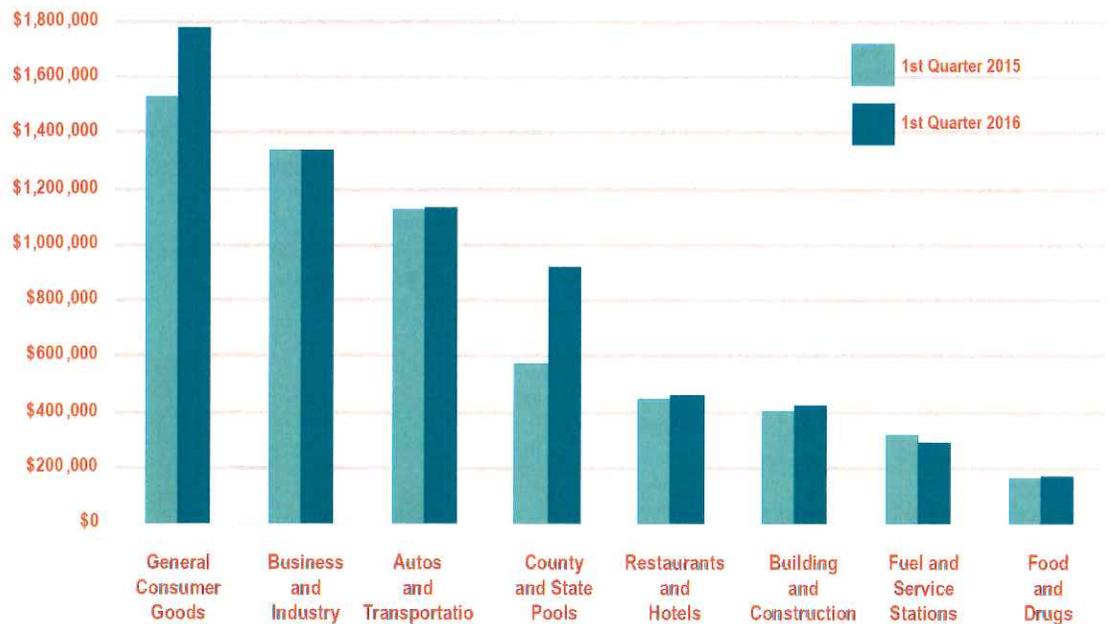
Livermore's allocation of sales and use tax from its January through March sales was 10.8% higher than the first quarter of 2015. Actual sales activity was up 7.3% after factoring for accounting anomalies that skewed the comparisons.

The recent opening of the second phase of the outlet center and a solid quarter for some categories of building-construction materials and business-industrial purchases were the primary factors contributing to the overall actual increase.

The gains were partially offset by lower fuel prices and a decline in sales of autos and some categories of industrial goods. The sharp rise in receipts from the countywide use tax allocation pool was largely related to accounting issues rather than actual sales increases.

Adjusted for aberrations, sales and use tax receipts for all of Alameda County increased 3.6% over the comparable time period while the nine county bay region as a whole, was up 3.3%.

## SALES TAX BY MAJOR BUSINESS GROUP



## TOP 25 PRODUCERS IN ALPHABETICAL ORDER

AMS Net	Michael Kors
Bauer Compressors	Mobile Modular Management
Burberry Limited	Nike
Coach	Porsche of Livermore
Costco	Prada
Home Depot	Safeway
J A Momaney Services	Safeway Fuel
Livermore Audi/ Subaru/Honda	Target
Livermore Ford Lincoln Mitsubishi	Tommy Hillfiger
Livermore Toyota & Scion	US Foodservice
Lowe's	Vans
Macpherson Western Tool Supply	Walmart
	Waxies

## REVENUE COMPARISON

Three Quarters - Fiscal Year To Date

	2014-15	2015-16
Point-of-Sale	\$17,030,817	\$18,502,946
County Pool	2,409,630	2,964,537
State Pool	10,895	12,950
<b>Gross Receipts</b>	<b>\$19,451,342</b>	<b>\$21,480,433</b>
<b>Less Triple Flip*</b>	<b>\$(4,862,836)</b>	<b>\$(3,736,094)</b>

\*Reimbursed from county compensation fund

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**California Overall**

The local one-cent share of the statewide sales and use tax was 3.1% higher than the year-ago quarter after excluding payment aberrations.

Gains in the countywide use tax pools were the largest contributor to the increase due to the growing impact of online purchases from out-of-state sellers and the corresponding shift of tax revenues from brick and mortar retail stores to fulfillment centers that process orders online. Not surprisingly, areas with concentrations of young, affluent buyers saw the highest online sales growth and the weakest general consumer goods results.

Solid results from auto sales and leases, transportation rentals, contractor supplies and restaurants also contributed to the overall increase.

The 5.6% gain in the business-industry sector was bolstered by onetime receipts for equipment purchases related to alternative energy projects.

Most general consumer goods categories were flat or down, except for specialty stores, electronics-appliance stores and home furnishings, consistent with the trend of consumers buying more from online retailers.

Gains from most other segments were relatively modest, while lower prices at the pump caused an 11.4% decline in fuel tax revenues, extending the decline to a sixth consecutive quarter.

**Robust Growth in Online Sales**

National surveys reveal that consumers buy online to avoid crowds, save time and find better bargains. Online shopping also benefits buyers in rural areas with fewer shopping options.

Total online spending comprised 12.8% of all general consumer goods purchases in 2015, up from 3.4% in 2000.

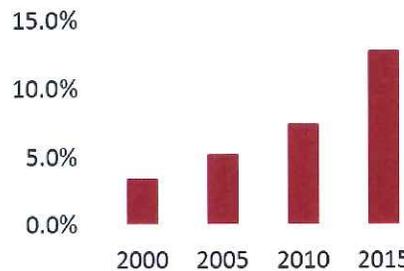
According to Forrester Research, Amazon accounted for 60% of total online sales growth in 2015.

Though the online share of overall sales

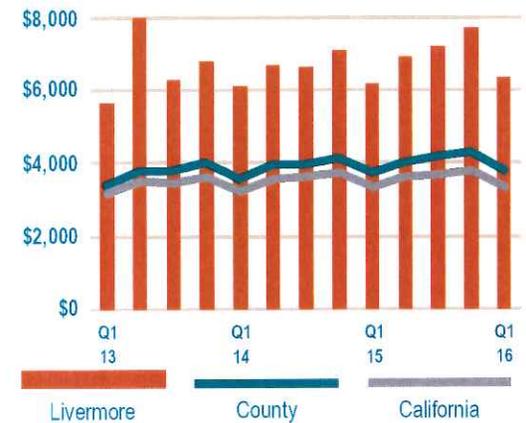
remains relatively modest, the year-over-year growth rate indicates a major shift in retailing is well underway. In response, more and more traditional brick and mortar retailers are opening online sales channels in recognition of this growing trend largely powered by younger buyers.

Department store chains have been particularly hard hit as Amazon has expanded its offerings to include apparel and fashion merchandise. Media reports indicate Macy's recently suffered its worse quarterly sales since the recession, while Nordstrom, J.C. Penney and Kohl's all reported lower sales. Each of these chains has established a solid web presence in a fight to retain market share.

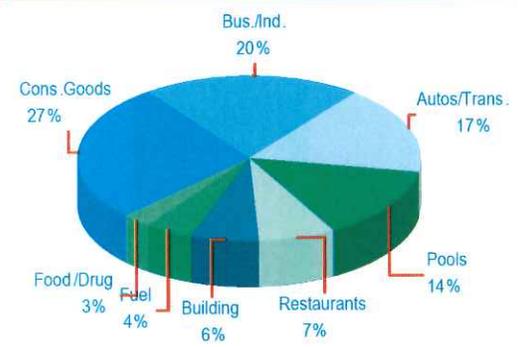
**Online General Consumer Goods  
YOY Percentage Growth**



**SALES PER CAPITA**



**REVENUE BY BUSINESS GROUP  
Livermore This Quarter**



**LIVERMORE TOP 15 BUSINESS TYPES**

*\*In thousands of dollars*

Business Type	Livermore		County	HdL State
	Q1 '16*	Change	Change	Change
Casual Dining	266.3	0.8%	3.4%	5.4%
Discount Dept Stores	—	CONFIDENTIAL	-3.2%	-0.3%
Drugs/Chemicals	—	CONFIDENTIAL	-1.5%	-6.8%
Electrical Equipment	160.2	13.6%	19.8%	6.6%
Family Apparel	506.2	19.2%	3.9%	-0.7%
Food Service Equip./Supplies	—	CONFIDENTIAL	4.6%	-1.9%
Heavy Industrial	225.9	-10.1%	6.5%	-1.8%
Light Industrial/Printers	229.0	15.6%	-3.2%	-1.6%
Lumber/Building Materials	236.8	8.9%	3.7%	5.4%
New Motor Vehicle Dealers	782.5	-3.1%	4.4%	3.1%
Quick-Service Restaurants	154.0	10.1%	8.0%	6.5%
Service Stations	286.5	-7.2%	-10.4%	-9.4%
Shoe Stores	180.6	91.4%	24.6%	4.6%
Specialty Stores	128.5	17.2%	5.8%	3.4%
Women's Apparel	189.1	40.8%	13.2%	-1.7%
<b>Total All Accounts</b>	<b>5,613.3</b>	<b>5.4%</b>	<b>2.9%</b>	<b>1.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>922.7</b>	<b>61.3%</b>	<b>57.5%</b>	<b>14.1%</b>
<b>Gross Receipts</b>	<b>6,536.1</b>	<b>10.8%</b>	<b>8.2%</b>	<b>3.2%</b>