



LIVERMORE SALES TAX

Second Quarter Receipts for First Quarter Sales (Jan. - Mar. 2004)

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In Brief

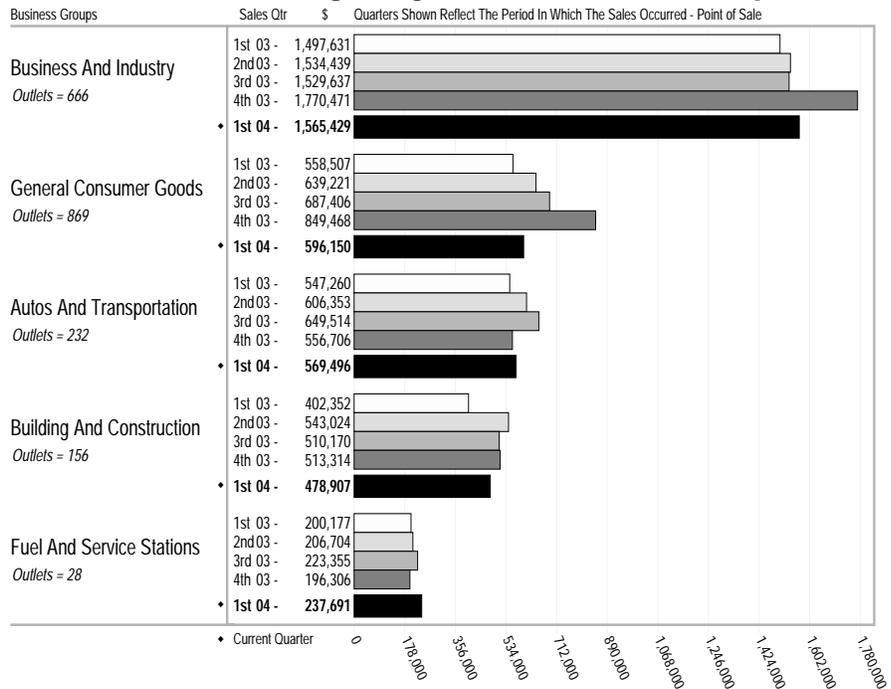
January - March sales receipts were 4.3% above the same period in 2003.

Lumber/building materials, plumbing/electrical supplies, contractor, and repair shop groups showed strong gains. Results from service station, heavy industrial, farm/construction equipment, and specialty store categories were inflated by one-time accounting adjustments. New store openings added to fast food, repair shop, heavy industrial, service station, and specialty store increases.

Delayed receipts that boosted proceeds in the comparison quarter caused the outsized drop in the office supplies/furniture group. A negative accounting adjustment exaggerated the radio/appliance store decrease.

Over the same period, Bay area sales rose 8%; the state grew 10.2%.

Sales Tax By Major Business Group



Top 25 Producers Listed Alphabetically

Albertsons
Alliant
Codioli Motor
Costco
Flow Solutions
Groth Brothers Chevrolet
Harris Rebar
Herning Underground Supplies
Home Depot
JA Momaney Services
Kaiser Pharmacy
Livermore Harley Davidson
Livermore Honda
Lowe's
Mervyn's
Mobile Modular Management
Nec Business Network Solutions
Orchard Supply Hardware
Orco Construction Supply
Owens & Minor
Safeway
Safeway Gas Sales
Target
Wal Mart
White Cap Industries

STATEWIDE SALES GROW

California's cities and counties received \$1,168,266,437 in one percent sales and use tax revenues during the second quarter of 2004 which represented an increase of 10.2% over the same quarter one year ago.

The allocation which is based on the previous quarter's sales, was heavily inflated by one-time accounting adjustments and reporting aberrations. Even so, actual sales and use tax activity exhibited a solid 6% gain when these are factored out.

The data continued to show strong growth in the suburban communities surrounding Sacramento, Southern California's Inland Empire and much of the San Joaquin Valley. It further suggested that the North Bay area may have finally bottomed out with mild recoveries in some categories of general consumer goods, lumber/building materials, and autos.

The Auto/transportation group exceeded expectations with sales in Southern California especially strong. Building and Construction Materials also exhibited exceptional growth in almost all parts of the state.

Business-to-business sales increased 5.3% over last year's comparable quarter with the largest gains occurring from relocations or expansions in the Inland Empire, Sacramento Foothills and portions of the San Joaquin Valley. Some high tech industries in the Bay area exhibited signs of a modest recovery although much of that gain was due to tax assessments on equipment related to the consolidation or sale of a business rather than the product.

General Consumer Goods were unusually strong with the largest increases in those areas with greatest population growth. Returning tourism

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Top 20 Business Categories

Business Type	Outlets	1st Qtr '04	1st Qtr '03	Percent Change	Percent of Total		
					City	County	State
Light Industrial/Printers	149	729,148	664,792	9.7%	19.1%		3.7%
Discount Dept Stores	35	353,722	328,798	7.6%	9.3%		5.7%
New Motor Vehicle Dealers	5	269,473	258,631	4.2%	7.1%		13.2%
Lumber/Building Materials	24	262,171	225,351	16.3%	6.9%		4.9%
Service Stations	27	236,247	200,177	18.0%	6.2%		8.1%
Heavy Industrial	64	163,186	122,680	33.0%	4.3%		1.3%
Farm/Construction Equip.	9	141,846	83,357	70.2%	3.7%		0.6%
Office Supplies/Furniture	60	122,544	228,632	-46.4%	3.2%		2.6%
Grocery Stores Liquor	14	105,386	101,564	3.8%	2.8%		2.6%
Contractors	104	105,371	89,199	18.1%	2.8%		3.1%
Fast Food	97	102,209	88,765	15.1%	2.7%		4.6%
Specialty Stores	374	96,006	57,435	67.2%	2.5%		3.2%
Farm Products/Equipment	24	94,318	59,926	57.4%	2.5%		0.6%
Repair Shops	87	86,212	64,242	34.2%	2.3%		1.0%
Trailers And Supplies		Confidential Information					0.5%
Plumbing/Electrical Supplies	15	69,004	47,037	46.7%	1.8%		0.9%
Electrical Equipment	39	63,969	92,708	-31.0%	1.7%		1.9%
Boats/Motorcycles	14	56,319	50,470	11.6%	1.5%		0.6%
Health Services	25	52,726	46,997	12.2%	1.4%		0.5%
Restaurants Beer And Wine	51	51,864	46,050	12.6%	1.4%		2.5%
Retail Stores	1,170	2,349,966	2,233,520	5.2%	61.5%		76.5%
Non-Store/Part Time Retailers	134	4,071	4,349	-6.4%	0.1%		0.6%
Business, Service & Repairs	426	246,151	197,796	24.4%	6.4%		7.7%
All Other Outlets (Industrial)	463	1,220,696	1,120,984	8.9%	31.9%		15.2%
Total All Accounts	2,193	3,820,884	3,556,649	7.4%			
County & State Pool Allocation		422,288	509,689	-17.1%			
Gross Receipts		4,243,172	4,066,338	4.3%			

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also sparked a significant recovery in consumer goods as well as Restaurants/Hotels for San Francisco.

Statewide, the only major group to decrease from one year ago was Food & Drugs which was impacted by the Southern California grocer's strike.

Economists are uncertain as to whether this quarter signals a trend. Although most predict a strong recovery in 2005 and 2006, sources such as the UCLA Anderson Forecast project, believe that gains in 2004 will be relatively modest. They point to state budget cutbacks, rising interest rates and fuel prices, and a sluggish manufacturing sector as reasons to be conservative on projections for the remainder of 2004. However to date, other factors including rising incomes, better job balance, increased foreign trade and a comeback in biotech and research have helped maintain a relatively strong sales tax base.

Adjusted statewide changes from the previous January through March period were:

Autos & Transportation	6.0%
Building & Construction	12.5%
Business & Industry	5.3%
Food & Drugs	(1.3%)
Fuel & Service Stations	3.3%
General Consumer Goods	7.8%
Restaurants	3.7%
Total	6.0%

Fiscal Year To Date Revenue Comparison

	2002-03	2003-04
Point-of-Sale	14,675,207	15,987,870
County Pool	1,982,749	1,753,269
State Pool	34,095	31,621
Gross Receipts	16,692,050	17,772,759

