



LIVERMORE SALES TAX

Fourth Quarter Receipts for Third Quarter Sales (July - Sept. 2004)

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In Brief

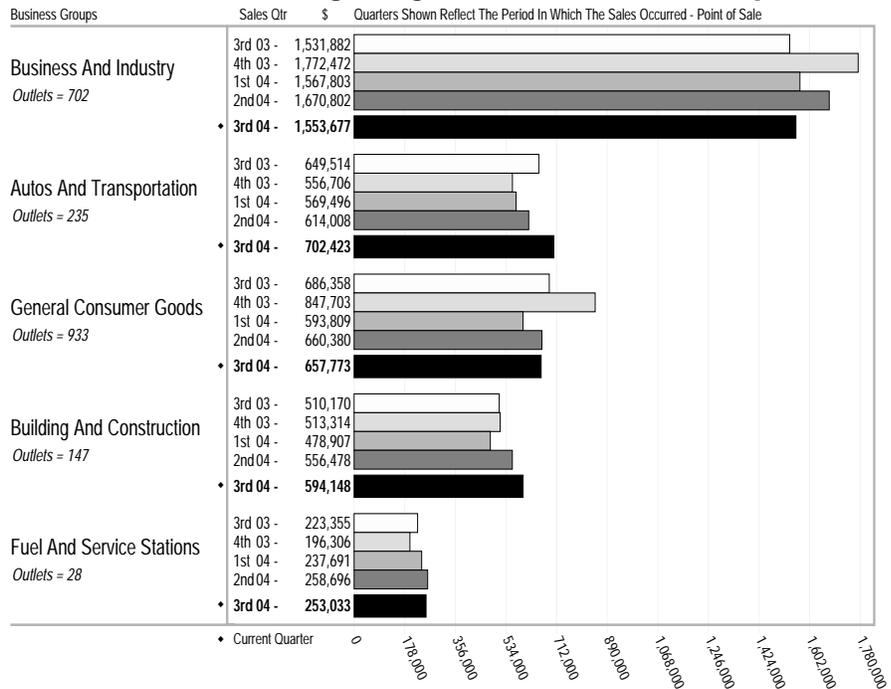
July - September sales receipts were 6.8% higher than one year ago but temporary payment aberrations inflated results. With anomalies factored out, actual sales gained 2%.

Receipts from sales in a prior period boosted new motor vehicle totals. Accounting adjustments inflated the public utilities comparison. New business accounts added to lumber/building materials, fast food, plumbing/electrical supplies and heavy industrial gains.

A tax refund caused the light industrial/printers decline; a business operations change that shifted the point of sale to another jurisdiction caused the office supplies/furniture drop. One-time accounting adjustments exaggerated specialty store and farm products/equipment decreases.

Over the same period Bay Area sales grew 1.7%; the state rose 4.9%.

Sales Tax By Major Business Group



Top 25 Producers Listed Alphabetically

- Alliant
- Ams Net
- Codioli Motor
- Costco
- Flow Solutions
- Groth Brothers Chevrolet
- Harris Rebar
- Herning Underground Supplies
- Home Depot
- Hoover Universal
- JA Momaney Services
- Jifco
- Kaiser Pharmacy
- Livermore Honda
- Lowe's
- Mervyn's
- Mobile Modular Management
- Orco Construction Supply
- Owens & Minor
- Safeway
- Safeway Gas Sales
- Target
- Wal Mart
- Wente Bros.
- White Cap Industries

2005 SALES TAX FORECASTS

Modest, moderate, murky are all being used to describe California's economic growth in 2005. Even so, a recent consensus forecast suggests a 5.2% sales tax gain for the state overall although performance will vary by jurisdiction. Segments:

GENERAL CONSUMER GOODS: Consumer confidence is up, but the percentage of disposable income used for servicing debt is at an all time high. Meanwhile rising mortgage interest rates are cutting the number of refinancing and home equity loans that have been funding extra consumption. Analysts project an overall inflation gain of 2.5%. Sales increases will be more related to regional growth in household income and population.

AUTOS/TRANSPORTATION: With financing incentives losing their punch, overall car sales are projected to grow less than 1%. Some Asian

and European makes expect to gain while some domestic manufacturers cut production in anticipation of a drop off from record sales. The increased competition may produce an uneven pattern of losers and winners among dealerships.

BUSINESS/INDUSTRY: The steady devaluation of the dollar makes California exports more marketable and encourages new business investment which is projected to grow faster than consumer spending in 2005. Capital investment in heavy equipment and commercial transportation is expected to grow 9%. Some segments of high tech spending should also increase.

CONSTRUCTION/BUILDING MATERIALS:

Rising mortgage rates and prices are expected to result in a slight reduction in new housing starts in 2005

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Top 20 Business Categories

Business Type	Outlets	3rd Qtr '04	3rd Qtr '03	Percent Change	Percent of Total		
					City	County	State
Light Industrial/Printers	151	646,745	664,564	-2.7%	15.5%		3.9%
Discount Dept Stores	39	377,272	361,499	4.4%	9.0%		5.7%
New Motor Vehicle Dealers	5	342,547	319,920	7.1%	8.2%		13.9%
Lumber/Building Materials	21	337,113	262,537	28.4%	8.1%		5.9%
Service Stations	27	253,034	223,355	13.3%	6.1%		7.6%
Heavy Industrial	68	213,732	127,274	67.9%	5.1%		1.3%
Farm/Construction Equip.	9	154,089	123,757	24.5%	3.7%		0.6%
Trailers And Supplies		Confidential Information					0.5%
Farm Products/Equipment	29	124,945	143,879	-13.2%	3.0%		0.5%
Fast Food	106	124,825	92,874	34.4%	3.0%		4.5%
Contractors	101	122,572	139,525	-12.2%	2.9%		3.7%
Grocery Stores Liquor	14	116,279	106,914	8.8%	2.8%		2.7%
Specialty Stores	403	104,621	126,644	-17.4%	2.5%		3.1%
Repair Shops	95	88,922	78,239	13.7%	2.1%		1.0%
Plumbing/Electrical Supplies	12	85,882	62,102	38.3%	2.1%		1.0%
Electrical Equipment	39	80,288	68,148	17.8%	1.9%		1.4%
Public Utilities/Trans.	32	57,161	28,311	101.9%	1.4%		1.4%
Health Services	28	53,742	53,767	0.0%	1.3%		0.5%
Restaurants Beer And Wine	51	51,888	43,093	20.4%	1.2%		2.3%
Office Equipment	25	49,439	40,710	21.4%	1.2%		0.8%
Retail Stores	1,242	2,628,163	2,505,502	4.9%	63.0%		76.8%
Non-Store/Part Time Retailers	132	3,783	3,369	12.3%	0.1%		0.5%
Business, Service & Repairs	453	266,308	235,253	13.2%	6.4%		7.2%
All Other Outlets (Industrial)	477	1,276,286	1,218,021	4.8%	30.6%		15.5%
Total All Accounts	2,304	4,174,540	3,962,145	5.4%			
County & State Pool Allocation		536,677	449,540	19.4%			
Gross Receipts		4,711,217	4,411,685	6.8%			

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and state cut backs could reduce public works projects. A minor softening in prices is anticipated for materials other than cement. Even so, projects already in the pipeline and an anticipated increase in commercial construction should offset the losses while sales of "do-it-yourself" home improvement merchandise and materials should increase.

RESTAURANTS/HOTELS:

Americans spend almost 47% of their food dollar outside of the home and the National Restaurant Association forecasts a 4.9% increase in sales. The devaluation of the dollar should also help jurisdictions that host international travel.

FUEL/SERVICE STATIONS: Fuel prices are expected to stabilize in 2005 and possibly decline from 2004's record levels. Tax revenues from this source are not expected to exceed last year.

CONSENSUS FORECAST*

Capital Corp of the West	5.3%
Chapman University	4.9%
L.A. County E. D. C.	5.6%
Legislative Analyst	5.8%
UCLA	4.8%
Wells Fargo	4.8%
Consensus	5.2%

*Western Blue Chip Economic Forecast – December 2004

Fiscal Year To Date Revenue Comparison

	2003-04	2004-05
Point-of-Sale	7,875,661	8,398,436
County Pool	822,449	1,063,317
State Pool	13,255	13,416
Gross Receipts	8,711,364	9,475,170
Less Triple Flip*	0	(1,177,804)

*Reimbursed from county compensation fund

