

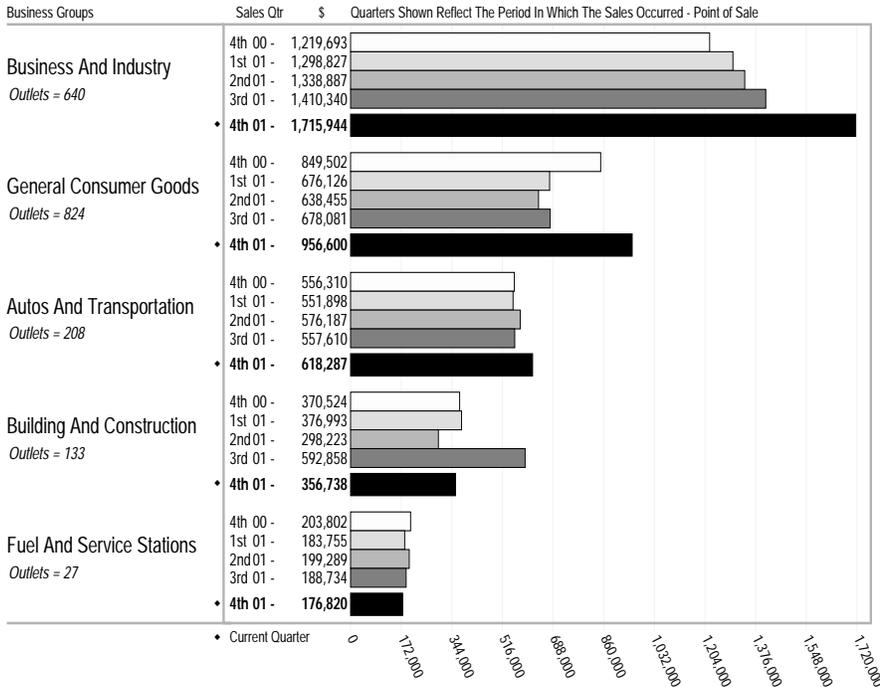


LIVERMORE SALES TAX

First Quarter Receipts for Fourth Quarter Sales (Oct. - Dec. 2001)

Publication Date: April 2002 The HdL Companies (www.hdlcompanies.com)

Sales Tax By Major Business Group



Top 25 Producers Listed Alphabetically

Albertsons
Alliant
Beaulieu Group
Codioli Motor
Costco
Groth Brothers Oldsmobile
Harris Rebar
Herning Underground Supplies
Hertz Car Sales
Home Depot
JA Momany Services
Kaiser Pharmacy
Livermore Honda
Mensco
Mervyns
Mobile Modular Management
Nec Business Network Solutions
Orchard Supply Hardware
Orco Construction Supply
Owens & Minor West
Safeway
TCI Materials Management
Target
Wal Mart
Wente Bros.

This Quarter

Receipts from Christmas quarter sales grew 14.9% compared to the same period in 2000 but numerous accounting adjustments boosted results. With aberrations removed, actual sales grew 2.7%.

The strongest gains occurred among the discount department store, drugs/chemicals, office supplies/furniture, farm/construction equipment, specialty stores, health services, and home furnishings outlets. Office supply and home furnishings gains were boosted by retroactive correction of allocation errors discovered in a routine City audit. New store openings added to specialty store gains.

Service station, light industrial/printer, heavy industrial, repair shop, and contractor sectors fell. Business close outs cut contractor results.

All of Alameda County fell 7.7%; the Bay Area dropped 13.5%.

Statewide Sales Level - Recession Speculation Continues

Federal Reserve Chairman Alan Greenspan announced in early March that the national economy had begun to recover but cautioned that the recovery could be slow and subject to setbacks. Separately, the San Francisco Federal Reserve Bank predicted that California's recovery would be stronger than other western states or the nation at large.

Though California's overall numbers are improving, the rate of recovery will vary by region. The Bay Area, where sales have been sharply impacted by the "techwreck" and reduced air travel, will lag other areas of the state.

Some parts of Southern California, the Central Coast, and the Sacramento region seem to have escaped the recession altogether. Retail sales in most areas of the Sacramento and San Joaquin Valley regions should continue to expand.

While consumer confidence has risen, business-to-business sales will remain weak until at least mid-year. Most cities and counties will be budgeting conservatively although communities with new business openings can be more aggressive.

Performance expectations for key sales tax groups for the coming year are as follows:

Autos & Transportation: Low interest financing boosted new auto sales to record levels at year's end. But first quarter sales are reported to be down about 3% from a year-ago and manufacturers are studying how much longer they can afford to offer incentives. Industry officials expect sales will trail last year's figures by 2-5%. A decline of 5-8% is likely in the Bay Area. Sales of imports are predicted to outpace domestics.

Building & Construction: Major public works projects will bolster con-

con't on back page

Top 20 Business Categories

Business Type	Outlets	4th Qtr '01	4th Qtr '00	Percent Change	Percent of Total		
					City	County	State
Discount Dept Stores	21	541,212	502,668	7.7%	13.0%	4.9%	6.9%
Drugs/Chemicals	6	428,781	381,769	12.3%	10.3%	1.7%	0.9%
Office Supplies/Furniture	57	365,129	50,104	628.7%	8.8%	4.0%	2.8%
New Motor Vehicle Dealers	5	283,373	260,185	8.9%	6.8%	13.0%	13.4%
Service Stations	26	176,820	203,802	-13.2%	4.2%	4.2%	4.9%
Light Industrial/Printers	145	176,574	193,796	-8.9%	4.2%	6.9%	4.2%
Lumber/Building Materials	17	171,718	178,242	-3.7%	4.1%	3.8%	4.0%
Electrical Equipment	39	161,533	146,678	10.1%	3.9%	2.9%	1.8%
Trailers And Supplies	Confidential Information					0.4%	0.3%
Farm/Construction Equip.	7	126,974	100,353	26.5%	3.1%	1.0%	0.5%
Specialty Stores	336	126,953	85,371	48.7%	3.1%	3.5%	3.6%
Heavy Industrial	64	117,232	197,818	-40.7%	2.8%	2.8%	1.4%
Grocery Stores Liquor	15	97,896	101,929	-4.0%	2.4%	2.8%	3.2%
Contractors	92	92,837	108,309	-14.3%	2.2%	3.3%	2.9%
Farm Products/Equipment	22	91,224	97,638	-6.6%	2.2%	0.9%	0.6%
Fast Food	78	83,156	90,223	-7.8%	2.0%	3.1%	4.1%
Repair Shops	98	74,686	93,509	-20.1%	1.8%	1.7%	1.2%
Department Stores	6	60,633	60,466	0.3%	1.5%	4.5%	5.1%
Home Furnishings	54	59,316	8,005	641.0%	1.4%	2.7%	2.3%
Health Services	20	56,505	-151,587	-137.3%	1.4%	0.7%	0.4%
Retail Stores	1,029	2,782,606	2,341,539	18.8%	66.9%	70.4%	76.3%
Non-Store/Part Time Retailers	176	7,372	8,399	-12.2%	0.2%	0.4%	0.9%
Business, Service & Repairs	401	234,900	36,028	552.0%	5.6%	6.2%	7.6%
All Other Outlets (Industrial)	436	1,135,613	1,172,299	-3.1%	27.3%	23.0%	15.3%
Total All Accounts	2,042	4,160,491	3,558,265	16.9%			
County & State Pool Allocation		575,133	564,923	1.8%			
Gross Receipts		4,735,623	4,123,187	14.9%			

con't from front page

struction spending in some areas. Residential construction should remain strong where vacant land is available and if interest rates remain low. High vacancy rates will depress commercial and industrial building in most areas.

Business & Industry: Recent gains in productivity have not been enough to sustain profitability. Until the profit picture improves, businesses will continue to defer spending on equipment. The exception will be defense and "homeland security" which could boost employment and indirectly benefit retail sales.

Fuel & Service Stations: Recent price swings should counter one another and little change in total sales tax is expected in the coming year.

General Consumer Goods: For all areas of the state except the Bay Area and Silicon Valley, General Consumer Goods sales should experience moderate growth this year. The decline in Bay Area and Silicon

Valley sales is not expected to level off until the second half. Department store and specialty store sales will lag while discounters grow.

Restaurants & Hotels: Sales in areas dependent on out-of-state tourists will remain below year-ago levels until air travel recovers. High-end restaurants, particularly in the Bay Area, will remain stagnant until at least mid-year.

Fiscal Year To Date Revenue Comparison

	2000-01	2001-02
Point-of-Sale	10,781,141	11,311,522
County Pool	1,512,982	1,526,336
State Pool	24,604	23,628
Gross Receipts	12,318,727	12,861,486

