Q4
2009

LIVERMORE

City of Livermore Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (Oct-Dec 2009)

Livermore In Brief

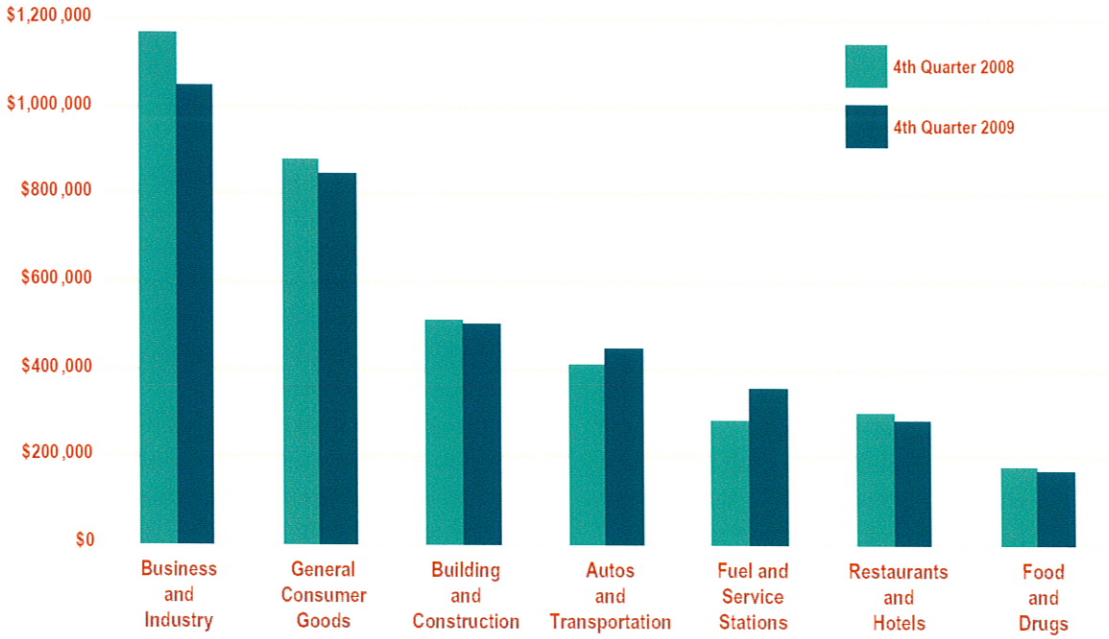
Fourth quarter receipts were 0.5% below the same period one year earlier.

Declines in the heavy and light industrial, electrical equipment, contractor and the closeout of Mervyns in the department store category were principally responsible for the drop. A shift in allocations to the countywide use tax pool reduced light industrial receipts. The closing of the Toyota plant in Fremont curtailed parts sales from manufacturers located in Livermore.

The above decreases in revenue were, to a degree, offset by positive results from service station, lumber/building materials sellers, new motor vehicle dealer, repair shop/hand tool rental and drugs/chemicals groups. The rise in service station totals was fuel price-driven. Onetime accounting aberrations inflated gains for the lumber/building materials category.

Over the same period all of Alameda County was down 6.1%; statewide sales fell 6.7%.

Sales Tax by Major Business Group



Top 25 Producers
In Alphabetical Order

7 Eleven
AMS Net
Costco
Harris Rebar
HD Supply Construction Supply
Home Depot
JA Momaney Services
Jifco
Kaiser Pharmacy
Kohls
Livermore Audi/ Subaru/Honda
Livermore Ford Lincoln Mercury
Lowes
Mobile Modular Management
Otto Systems
Pacific Coast Seed
Quik Stop Markets
Safeway
Safeway Gas Sales
Siemens Metering
Target
US Foodservice
Wal Mart
Waxies
Xantrex Technology

Revenue Comparison
Three Quarters – Fiscal Year To Date

	2008-09	2009-10
Point-of-Sale	$11,851,815	$10,275,652
County Pool	1,451,978	1,290,437
State Pool	5,286	10,086
Gross Receipts	**$13,309,080**	**$11,576,175**
Less Triple Flip*	$(3,327,270)	$(2,894,044)

**Reimbursed from county compensation fund*

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NOTES

California Overall

Local allocations for sales occurring October through December were 6.7% lower than last year's holiday quarter after adjusting for accounting aberrations.

All regions experienced declines. The largest reductions were in building and construction materials and business equipment and supplies. Shoppers generally favored discount stores and value-oriented apparel to traditional department stores and specialty shops. However, a few high end chains also posted gains. A rise in new car sales was offset by declining revenues from auto leases and continuing drops in sales of RVs, boats and motorcycles.

The quarter's largest statewide increases were from value oriented family apparel and from rising service station prices.

Short Term Recovery Projected

Most economists and trade analysts are cautiously optimistic that there will be recovery over the next two or three quarters. Stabilization of home prices and the recovering stock market have made the still employed more confident about making purchases that were avoided during the bottom of the recession. Lower prices have also stretched the discretionary income available to make those purchases.

They see banks beginning to lend again while the restocking of depleted inventories is stimulating industrial production. Other factors adding to the optimism are increased demands for American exports, renewed spending on technology and software and a recent uptick in California's entertainment industry.

The Budget Conundrum

There is general agreement that the current recovery is fragile and that California will trail the nation. However, there is sharp disagreement on its durability. Most analysts believe that as long as the current demand for exports continues, the other previously cited factors will sustain a slow recovery.

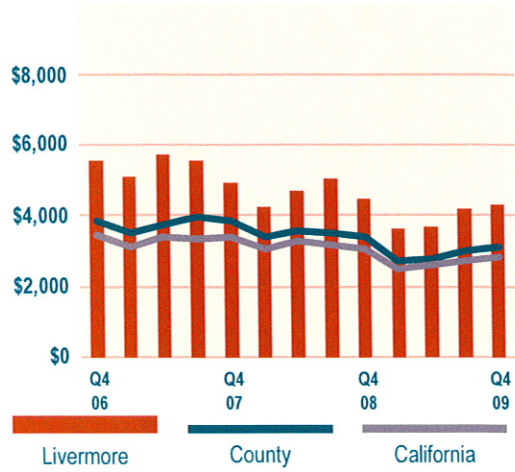
Others argue that a second dip in the recession is likely. They maintain that the current recovery is a "bubble" created by unsustainable tax cuts, federal stimulus spending, low interest loans and modification programs that mask and only delay inevitable foreclosures. Further, the pending resetting of large numbers of adjustable rate home mortgages and need to refinance $500 billion in commercial loans is being ignored. Until we suffer the consequences from those losses they say, the end of federal bailouts will simply send us back into a recession. Both sides express concerns about the sufficiency of future job opportunities.

Recovery and Sales Tax

It will be slow, spotty and uncertain. Gains from value priced consumer goods, technology, medical focused industries and higher fuel prices are expected. The increase from incentive driven car sales should continue for another quarter or two.

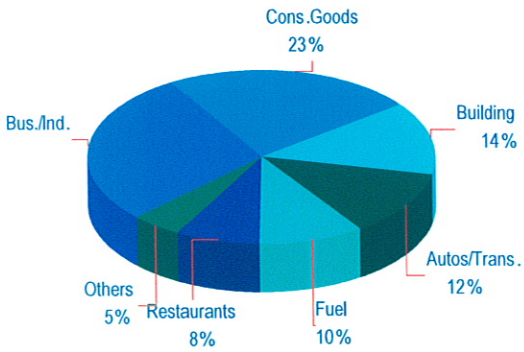
The outlook for a recovery from building and construction materials remains pessimistic while restaurants and other categories are expected to be flat or decline further.

Sales Per Capita



Revenue by Business Group

Livermore This Quarter



Livermore Top 15 Business Types

Business Type	Livermore Q4 '09*	Livermore Change	County Change	HdL State Change
Discount Dept Stores	$542.9	2.7%	4.8%	1.8%
Service Stations	357.7	25.6%	1.7%	7.0%
Lumber/Building Materials	243.5	12.5%	-7.7%	-0.5%
New Motor Vehicle Dealers	210.6	25.2%	2.4%	1.0%
Heavy Industrial	205.5	-16.1%	6.1%	-17.9%
Light Industrial/Printers	127.0	-38.8%	-23.2%	-24.3%
Restaurants No Alcohol	125.3	1.0%	1.4%	-2.3%
Electrical Equipment	124.2	-11.2%	-22.8%	-17.5%
Repair Shop/Hand Tool Rentals	115.7	36.1%	-10.7%	-19.1%
Plumbing/Electrical Supplies	112.3	6.6%	-11.4%	-16.0%
Contractors	112.1	-26.2%	-17.7%	-23.0%
Grocery Stores Liquor	106.7	-6.8%	-2.6%	2.1%
Farm Products/Equipment	99.6	5.7%	17.2%	-1.8%
Restaurants Liquor	94.3	-8.7%	7.5%	0.3%
Drugs/Chemicals	89.0	17.3%	1.2%	-1.0%
Total All Accounts	**$3,661.4**	**-2.0%**	**-7.7%**	**-5.9%**
County & State Pool Allocation	**485.6**	**12.5%**		
Gross Receipts	**$4,147.1**	**-0.5%**		**In thousands*