

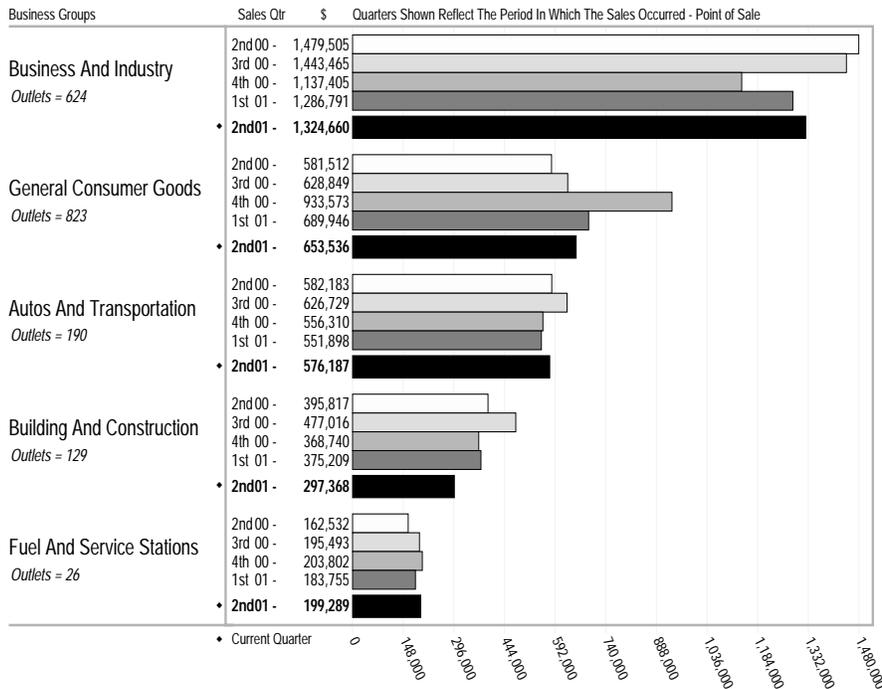


# LIVERMORE SALES TAX

Third Quarter Receipts for Second Quarter Sales (Apr. - June 2001)

Publication Date: October 2001 The HdL Companies (www.hdlcompanies.com)

## Sales Tax By Major Business Group



## Top 25 Producers Listed Alphabetically

Alliant  
Codioli Motor  
Construction Machinery  
Costco  
Graphics Atlanta East Bay  
Groth Brothers Oldsmobile  
Herning Underground Supplies  
Hertz Car Sales  
JA Momaney Services  
JC's RVs  
Kaiser Pharmacy  
Livermore Harley Davidson  
Livermore Honda  
Mensco  
Mervyns  
Mobile Modular Management  
Orchard Supply Hardware  
Orco Construction Supply  
Owens & Minor West  
Polystor  
Safeway  
Target  
Wal Mart  
Wente Bros.  
York International

## This Quarter

April - June tax receipts were 3.2% lower than for the same quarter in 2000.

Despite the overall decline, drugs/chemicals, discount department store, service station, heavy industrial, office furniture and equipment, and plumbing/electrical supplies sectors gained. Heavy industrial receipts were boosted when a payment for a prior period arrived late.

Declines mainly affected the light industrial/printer, farm/construction equipment, lumber/building materials, and electrical equipment categories. A delayed payment, since allocated to the city, caused the lumber/building materials drop. A one-time accounting adjustment exaggerated the farm/construction equipment decrease.

The 9-county Bay Area dropped 5%; the state grew 1.8%.

## Statewide Sales Level - Recession Speculation Continues

California's September tax receipts from sales occurring April through June grew just 1.8% over the previous year's quarter when a late payment from a major building materials chain is factored back in.

The latest allocation continued to exhibit significant regional differences with the Silicon Valley down 5.4% and the nine-county Bay Area as a whole, declining 3.5%. San Bernardino/Riverside Counties, Placer/El Dorado Counties, the Central Coast, Kern and San Diego Counties all had significant gains.

New car sales remained surprisingly strong throughout the state except in the nine-county Bay Area. California's manufacturing sector and "business to business" sales were generally flat or down in all regions.

Revenues for general consumer goods grew a modest 1.8% primarily

from strong performances by discount department stores/warehouses. Restaurant sales were generally up in the mid-price family and full service categories. With some exceptions, sales of building and construction materials were healthy throughout California.

The September 11 incidents' impact on sales tax revenues will not be known until the returns for third quarter sales are filed by the taxpayers and processed by the Board of Equalization for the December allocation. However, preliminary surveys indicate that new cars continued strong sales up to that time and recovered to normal levels within three weeks of the incidents. Purchases of apparel and general consumer goods were reportedly more modest for the first part of the quarter but similarly returned to pre-September 11 levels by the third week after the attacks.

con't on back page

## Top 20 Business Categories

Business Type	Outlets	2nd Qtr '01	2nd Qtr '00	Percent Change	Percent of Total		
					City	County	State
Drugs/Chemicals	7	416,439	351,176	18.6%	12.3%	1.5%	1.0%
Discount Dept Stores	19	355,632	328,534	8.2%	10.5%	3.6%	5.1%
New Motor Vehicle Dealers	5	273,646	272,760	0.3%	8.1%	13.3%	12.6%
Light Industrial/Printers	144	201,485	415,151	-51.5%	6.0%	6.7%	4.4%
Service Stations	25	199,289	162,532	22.6%	5.9%	5.5%	6.9%
Contractors	94	142,493	128,492	10.9%	4.2%	3.9%	3.4%
Heavy Industrial	57	127,788	86,513	47.7%	3.8%	2.5%	1.7%
Trailers And Supplies	4	126,076	125,518	0.4%	3.7%	0.4%	0.4%
Farm/Construction Equip.	7	114,826	163,102	-29.6%	3.4%	0.9%	0.6%
Specialty Stores	333	106,604	84,248	26.5%	3.2%	3.8%	3.2%
Farm Products/Equipment	21	95,853	87,249	9.9%	2.8%	1.1%	0.7%
Grocery Stores Liquor	15	88,188	89,436	-1.4%	2.6%	2.3%	2.9%
Fast Food	74	82,898	88,371	-6.2%	2.5%	3.2%	4.2%
Office Supplies/Furniture	54	74,091	42,893	72.7%	2.2%	4.1%	3.1%
Repair Shops	95	70,715	66,684	6.0%	2.1%	2.2%	1.4%
Health Services	20	68,862	68,107	1.1%	2.0%	0.8%	0.4%
Lumber/Building Materials	13	61,800	193,616	-68.1%	1.8%	2.2%	2.4%
Restaurants Beer And Wine	46	52,789	45,813	15.2%	1.6%	2.4%	2.4%
Electrical Equipment	35	50,302	86,261	-41.7%	1.5%	3.5%	2.4%
Department Stores	5	45,355	41,809	8.5%	1.3%	3.7%	3.9%
Retail Stores	985	2,059,867	2,095,860	-1.7%	61.0%	67.9%	72.5%
Non-Store/Part Time Retailers	185	6,970	5,775	20.7%	0.2%	0.4%	0.8%
Business, Service & Repairs	397	239,599	239,921	-0.1%	7.1%	8.5%	8.7%
All Other Outlets (Industrial)	425	1,069,154	1,187,876	-10.0%	31.7%	23.1%	18.0%
Total All Accounts	1,992	3,375,591	3,529,432	-4.4%			
County & State Pool Allocation		528,551	502,509	5.2%			
Gross Receipts		3,904,142	4,031,941	-3.2%			

con't from front page

Sales and use tax revenues from "business to business" spending are predicted to decline further in the next quarter and remain at pre-technology boom levels until spring. Jurisdictions that are specifically dependent on capital investment expenditures or out of state travel for the bulk of their sales tax revenues should expect to see decreases for the next two quarters. The declines could be particularly severe in the nine-county Bay Area region.

Other parts of the state are expected to be slightly down or flat although regions with significant population growth including the Sacramento foothills, the Salinas valley, and the Inland Empire should continue to experience fair to modest gains.

The health of the economy continues to be highly speculative. Economists and business journalists stepped up their recession predictions after the September 11 attacks. Fortunately, to date, the American economy

has proven to be much more resilient than the pundits have been predicting. Regardless of what happens over the next six months, most observers believe that the combination of increased spending for defense and security, lower interest rates, and tax rate cuts will create a recovery in the 2002/2003 fiscal year.

### Fiscal Year To Date Revenue Comparison

	2000-01	2001-02
Point-of-Sale	3,529,432	3,375,591
County Pool	494,528	523,367
State Pool	7,980	5,184
Gross Receipts	4,031,941	3,904,142

