

# Q1 2013

LIVERMORE

# City of Livermore Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2013)

## Livermore In Brief

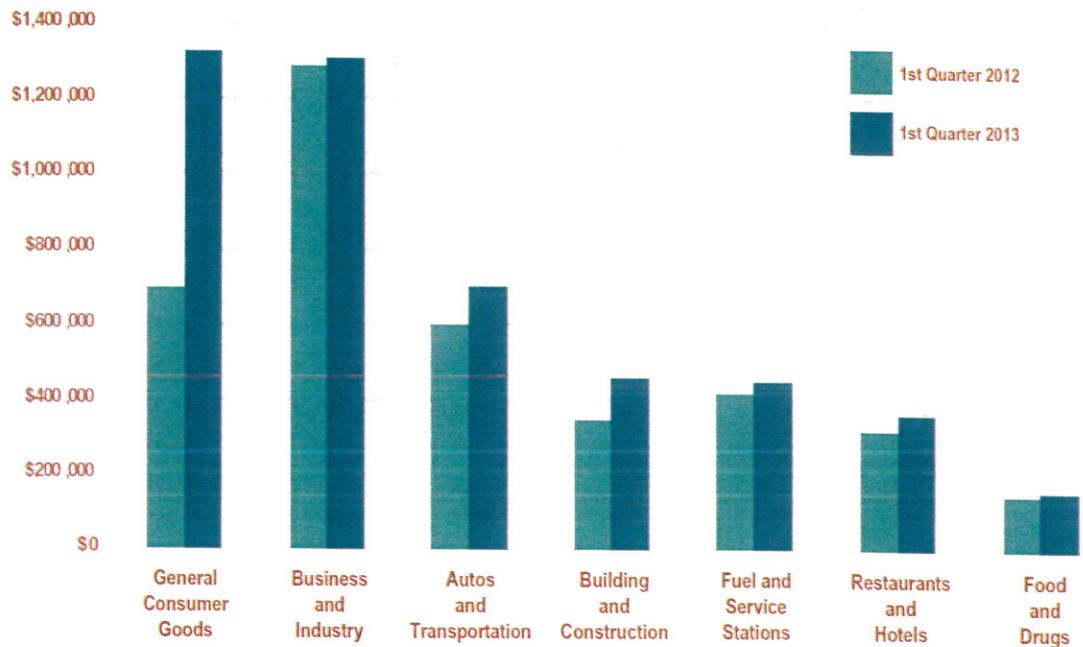
Receipts from first quarter sales jumped 23.7% from the same sales period one year earlier.

All major industry groups showed increases but results from the general consumer goods, autos and transportation and building and construction categories were exceptionally strong. The opening of the Livermore Valley Premium Outlets was responsible for most of the general consumer goods increase and also bolstered restaurant totals. Continued record sales of new automobiles was reflected in autos and transportation group totals. Multiple reporting aberrations inflated the building and construction comparison. Fuel and service station results were up moderately but were notable because regional and statewide results for fuel sales in the quarter were negative.

Business closeouts cut business and industry proceeds but onetime payment adjustments more than offset the resulting decline. However, net of all accounting aberrations, business and industry proceeds fell 8.8%.

With temporary payment aberrations factored out, all of Alameda County was up 6.7%; statewide sales grew 6.5%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

7 Eleven	Lowes
AMS Net	Macpherson
Carter Brothers Fire & Life Safety	Western Tool Supply
Costco	Mobile Modular Management
Eco Snow Systems	Porsche of Livermore
Harris Rebar	Prada
Home Depot	Safeway
J A Momaney Services	Safeway Gas
Jifco	Tapestry Medical
Kaiser Pharmacy	Target
Livermore Audi/Subaru/Honda	US Foodservice
Livermore Ford Lincoln Mitsubishi	Vanstar Corporation
	Walmart
	Waxies

### REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	\$17,856,342	\$19,619,295
County Pool	2,501,523	2,869,234
State Pool	7,757	11,168
<b>Gross Receipts</b>	<b>\$20,365,622</b>	<b>\$22,499,697</b>
<b>Less Triple Flip*</b>	<b>\$(5,091,405)</b>	<b>\$(5,624,924)</b>

\*Reimbursed from county compensation fund

**California Overall**

After adjusting for payment aberrations, statewide sales tax receipts for January through March sales were 6.5% higher than the same period in 2012.

Strong sales for apparel, department stores and big box discounters lifted general consumer goods and accounted for 23% of the statewide increase. Improvements in the housing sector pushed building and construction sales up 8.6%. Continued robust sales of new automobiles led to a 9.3% increase over the comparable quarter. Reduced consumption combined with lower gasoline prices cut fuel and service station returns in the first quarter by 2.7%.

**Energy Projects Boost Business and Industry Gains**

Taxes from construction of solar, wind, biomass and geothermal power projects accounted for 39% of California's business-to-business sales this quarter and produced significant windfalls for a handful of local agencies.

This temporary boost in revenues came from the federal government's goal of doubling the nation's renewable energy production in three years and from California's SB 2X which was signed in April of 2011 and calls for 33% of all retail electricity sales to be from renewable energy sources by 2020. Joint federal and state funding efforts to meet these goals have resulted in the initiation of more than a dozen utility-scale solar energy projects and over 130 renewable power plant projects in California.

Intermittent quarterly spikes in sales and use tax receipts from projects under construction or in the pipeline are expected for another two years.

**Decline in Fuel Consumption Continues**

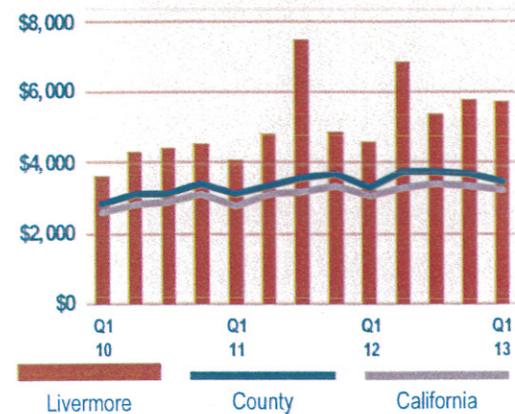
According to the most recent data from the State Board of Equalization, California's gasoline usage fell 1.7% while diesel consumption eased 0.4% in the fourth quarter of 2012 from 2011 levels. This continues a decline that began in 2005 and which is almost twice the nationwide drop.

Historically, economic conditions have been the primary driver in fuel usage, however other factors are becoming increasingly prevalent. Nationally, total vehicle miles traveled have dropped eight years in a row as aging drivers travel fewer miles and the millennial generation, focused on social networking technology, is driving less than previous generations. Increased fuel efficiency is also at play with the average new car achieving 16% more miles per gallon than just five years ago and some

commercial trucking fleets shifting to natural gas.

Until recently, price increases have offset consumption declines. The price gains were partly the result of California refineries exporting their finished product to emerging economies with higher demand and also by periodic refinery and transmission interruptions in the state's limited production infrastructure.

**SALES PER CAPITA**



**LIVERMORE TOP 15 BUSINESS TYPES**

Business Type	Livermore		County	HdL State
	Q1 '13*	Change	Change	Change
Business Services	114.8	30.6%	-30.5%	-10.8%
Discount Dept Stores	440.0	5.7%	4.2%	5.1%
Drugs/Chemicals	104.5	6.3%	-41.5%	3.5%
Family Apparel	273.9	739.2%	32.3%	16.2%
Food Mfg.	— CONFIDENTIAL —		3.1%	5.8%
Heavy Industrial	175.2	-10.5%	-3.7%	7.6%
Light Industrial/Printers	156.9	44.5%	6.8%	6.8%
Lumber/Building Materials	244.7	40.5%	8.7%	7.2%
Medical/Biotech	121.1	-0.6%	-0.5%	2.6%
New Motor Vehicle Dealers	422.8	21.0%	9.6%	9.5%
Office Equipment	162.1	16.3%	50.5%	14.0%
Restaurants Liquor	110.5	2.7%	8.0%	6.5%
Restaurants No Alcohol	164.3	33.5%	7.1%	6.0%
Service Stations	439.7	7.3%	0.1%	-2.2%
Specialty Stores	139.5	122.8%	5.8%	2.5%
<b>Total All Accounts</b>	<b>\$4,755.9</b>	<b>25.1%</b>	<b>5.3%</b>	<b>5.7%</b>
<b>County &amp; State Pool Allocation</b>	<b>678.7</b>	<b>14.7%</b>		
<b>Gross Receipts</b>	<b>\$5,434.6</b>	<b>23.7%</b>		

\*In thousands