

Q3 2013

LIVERMORE

City of Livermore Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (July - September 2013)

Livermore In Brief

Receipts for Livermore's July through September sales were 19.2% higher than the same quarter one year ago. Actual sales activity was up 23.1% when reporting aberrations were factored out.

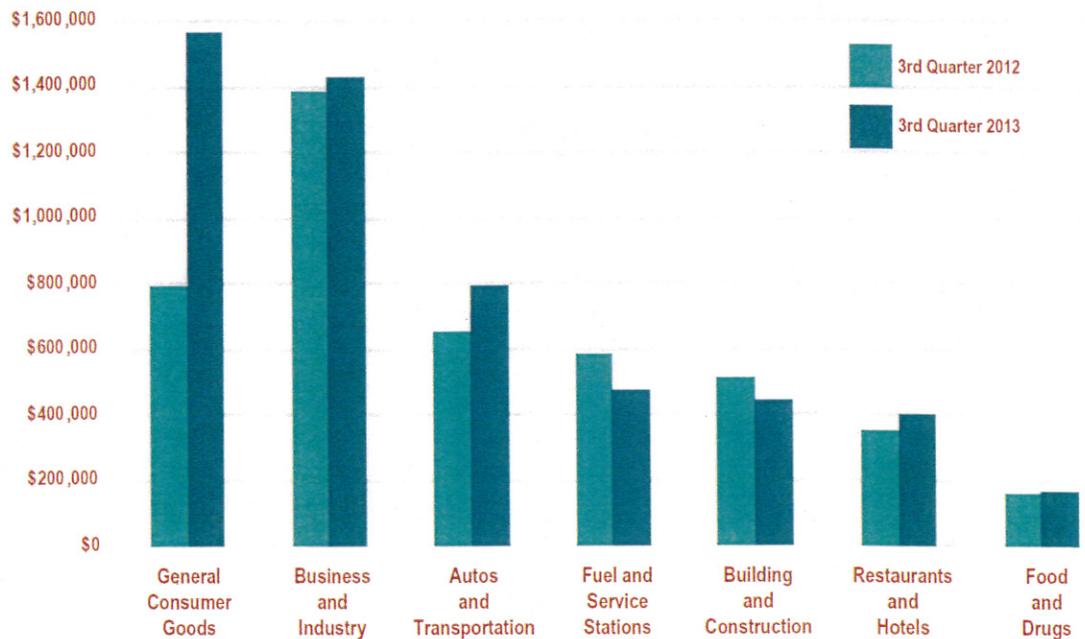
The new Livermore Premium Outlet Center that opened last year accounted for almost two thirds of the adjusted gain. The increase in the city's share of the countywide use tax allocation pool garnered another 14%. New auto sales had a tremendous quarter surpassing both regional and statewide trends.

Temporary use tax combined with a new enterprise in the business and industry group offset the loss from a business closeout in electrical equipment. New eateries contributed to positive results in restaurants overall.

A retroactive adjustment to correct a prior error exaggerated the loss in fuel and service stations from lower fuel prices. The decline in building-related sectors was due to a processing glitch and other onetime events.

Adjusted for aberrations, taxable sales for all of Alameda County increased 6.0% over the comparable time period, while the Bay Area as a whole was up 5.6%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

7 Eleven	Macpherson
Bloomingtons The Outlet	Western Tool Supply
Costco	Mobile Modular Management
Harris Rebar	Porsche of Livermore
Home Depot	Prada
International Paper Company	Quik Stop Market
J A Momaney Services	Safeway
Jifco	Safeway Gas
Kaiser Pharmacy	Solar Universe
Livermore Audi/ Subaru/Honda	Target
Livermore Ford Lincoln Mitsubishi	US Foodservice
	Vanstar Corporation
	Walmart
	Waxies
	Xantrex Technology

REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$10,078,409	\$11,965,752
County Pool	1,391,456	1,748,222
State Pool	4,066	6,812
Gross Receipts	\$11,473,930	\$13,720,786
Less Triple Flip*	\$(2,868,483)	\$(3,430,196)

*Reimbursed from county compensation fund

Statewide Results

The local share of sales and use tax revenues from the summer sales quarter was temporarily reduced by a state computer glitch that failed to fully fund receipts from sellers of building and construction supplies. Actual sales activity was up 5.8% over last year's comparable quarter after adjusting for this and other aberrations. Overall performance was generally similar throughout most regions of the state.

New and used auto sales and leases again grew at double digit rates and were the primary contributor to the quarter's statewide growth. With on-line sales remaining strong and more businesses reporting due to the state's new out-of-state reporting requirements, countywide pool allocations became the second largest portion of this quarter's overall increase. Recovering building and construction activity was also significant with a 9.7% gain after adjusting for the delayed allocations.

Gains in most other segments were relatively modest while receipts from fuel and service stations declined for the third consecutive quarter.

Local Sales Tax Measures

Ten of twelve proposals for sales tax add-ons were approved in November as voters continued to support funding local services where they have more input and control.

New taxes were approved in Antioch, Corte Madera, Huron, Larkspur, San Anselmo and Scotts Valley. Existing add-ons were either increased or extended in El Monte, Rohnert Park, San Rafael and Stockton.

This brings the total number of city transactions and use tax districts to 135 and countywide districts to 44. Additional measures are expected to appear on local ballots in 2014.

Tax Rebates

Effective January 1, AB 562 (Williams) requires public notice and hearings on economic subsidies exceeding \$100,000. Identification of beneficiaries of the subsidy, the amounts, the beginning and ending dates and promised tax and job benefits are required as are periodic up-dates.

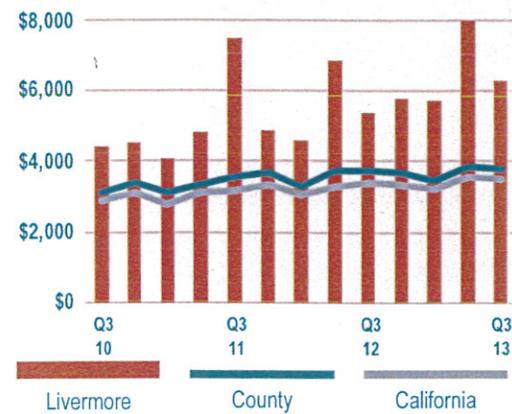
As on-line sales divert a greater portion of tax revenues from business and consumer purchases to centralized fulfillment centers, rebates of up to 85% are being bid in exchange for being the "point of sale" for the remainder. This bill encourages deeper evaluation of agreements that are collectively transferring an alarming share of statewide local sales tax to corporate bottom lines while cutting revenues for public services.

Holiday Sales Tax Shifts

Local tax receipts from fourth quarter sales will not be seen until March but may differ from previous years. Some forecasters predicted that on-line shopping would account for

up to 40% of holiday sales which would transfer that portion of the tax from stores to central fulfillment centers or county allocation pools. Final tax results from holiday spending will be pushed into June based on a National Retail Federation survey that showed 80% of shoppers gave at least one gift card. Tax is not charged until a gift card is redeemed.

SALES PER CAPITA



LIVERMORE TOP 15 BUSINESS TYPES

Business Type	*In thousands			
	Livermore Q3 '13*	Livermore Change	County Change	HdL State Change
Casual Dining	184.9	17.1%	-0.9%	2.5%
Discount Dept Stores	— CONFIDENTIAL —	—	-5.7%	-8.2%
Drugs/Chemicals	115.9	3.0%	-7.8%	-0.4%
Electrical Equipment	116.4	-18.7%	18.4%	-2.7%
Family Apparel	411.2	na	31.1%	5.6%
Food Service Equip./Supplies	— CONFIDENTIAL —	—	-11.3%	5.9%
Heavy Industrial	224.7	-6.0%	21.6%	10.7%
Light Industrial/Printers	220.2	60.7%	-2.5%	4.0%
Lumber/Building Materials	204.6	-23.8%	-14.4%	-15.8%
Medical/Biotech	123.9	4.3%	17.5%	-1.1%
New Motor Vehicle Dealers	509.2	26.2%	12.8%	12.8%
Office Equipment	136.1	0.4%	37.1%	10.3%
Quick-Service Restaurants	155.4	10.5%	7.1%	4.0%
Service Stations	509.4	-11.8%	-2.7%	-1.5%
Specialty Stores	157.6	142.1%	12.8%	7.7%
Total All Accounts	\$5,270.1	18.5%	3.0%	2.5%
County & State Pool Allocation	\$798.9	23.7%	7.4%	12.5%
Gross Receipts	\$6,069.0	19.2%	3.5%	3.5%