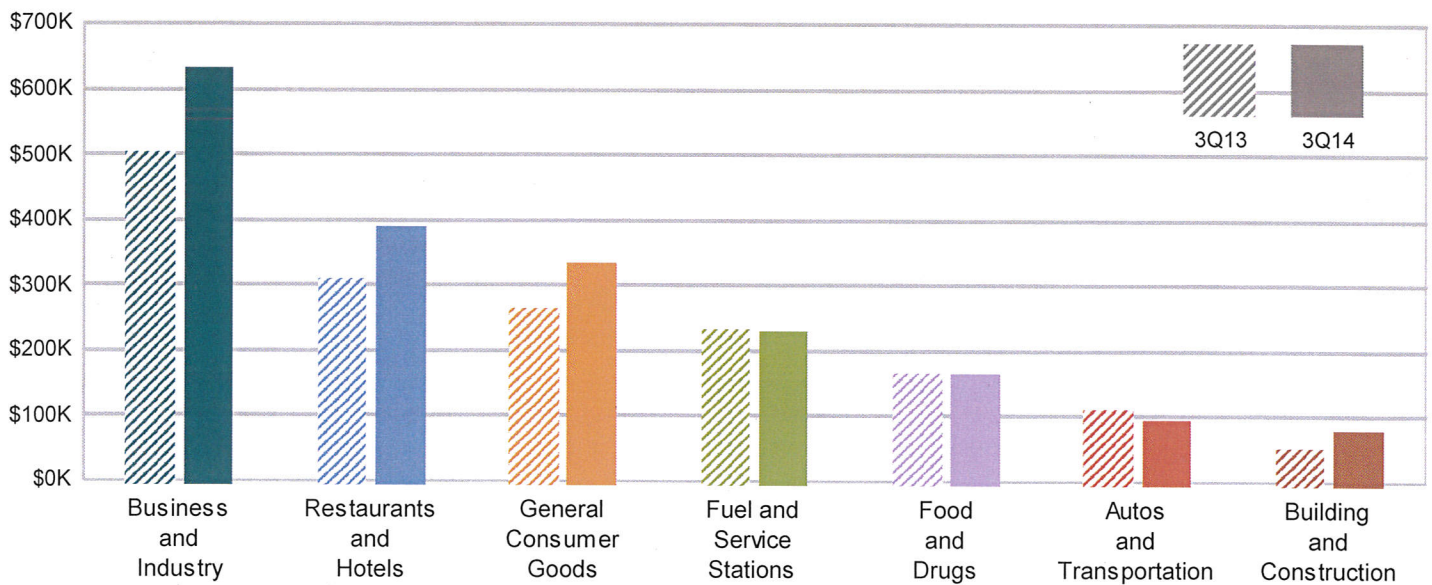
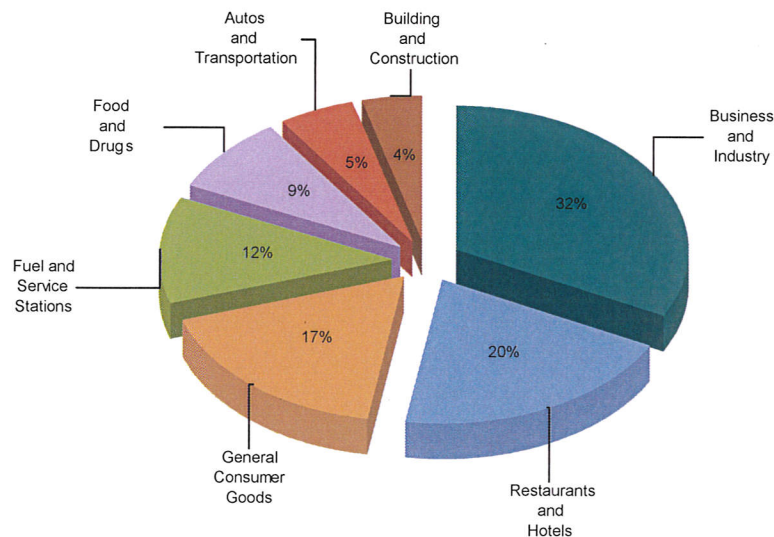




Quarterly Sales Tax Report  
for the Period Ending  
December 31, 2014

| <u>Major Industry Group</u> | <u>Count</u> | <u>3Q14</u>      | <u>3Q13</u>      | <u>\$ Change</u> | <u>% Change</u> |
|-----------------------------|--------------|------------------|------------------|------------------|-----------------|
| Business and Industry       | 647          | 639,918          | 509,961          | 129,957          | 25.5%           |
| Restaurants and Hotels      | 290          | 397,609          | 317,918          | 79,691           | 25.1%           |
| General Consumer Goods      | 1,878        | 341,332          | 269,490          | 71,842           | 26.7%           |
| Fuel and Service Stations   | 20           | 237,124          | 238,921          | (1,797)          | -0.8%           |
| Food and Drugs              | 81           | 172,434          | 172,493          | (59)             | 0.0%            |
| Autos and Transportation    | 127          | 99,906           | 116,672          | (16,766)         | -14.4%          |
| Building and Construction   | 69           | 83,836           | 57,116           | 26,720           | 46.8%           |
| Transfers & Unidentified    | 1            | 55               | 0                | 55               | -N/A-           |
| <b>Total</b>                | <b>3,113</b> | <b>1,972,213</b> | <b>1,682,571</b> | <b>289,642</b>   | <b>17.2%</b>    |

**3Q13 Compared To 3Q14**

**3Q14 Percent of Total**


Sales Tax by Major Industry Group

**Business And Industry**

Count: 647

**Restaurants And Hotels**

Count: 290

**General Consumer Goods**

Count: 1,878

**Fuel And Service Stations**

Count: 20

**Food And Drugs**

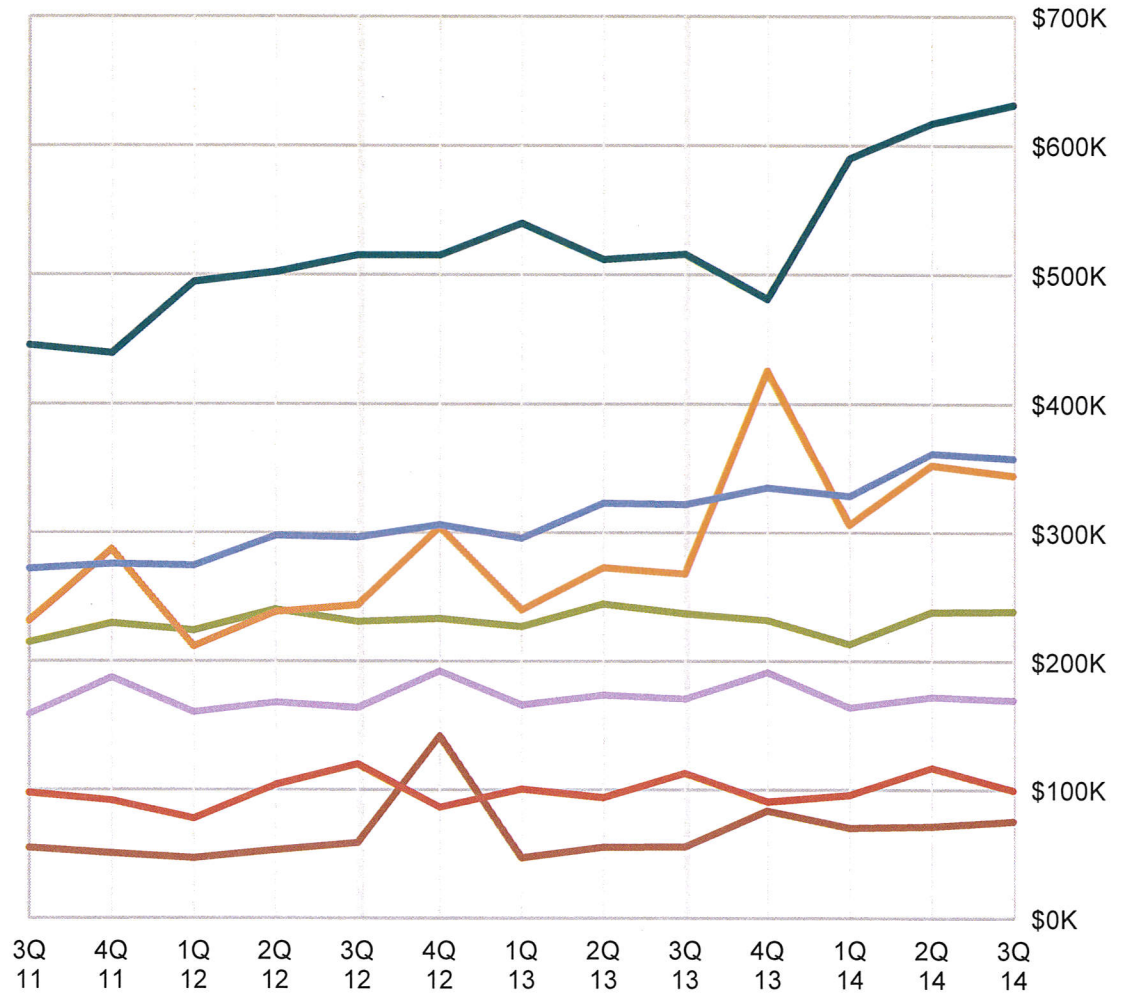
Count: 81

**Autos And Transportation**

Count: 127

**Building And Construction**

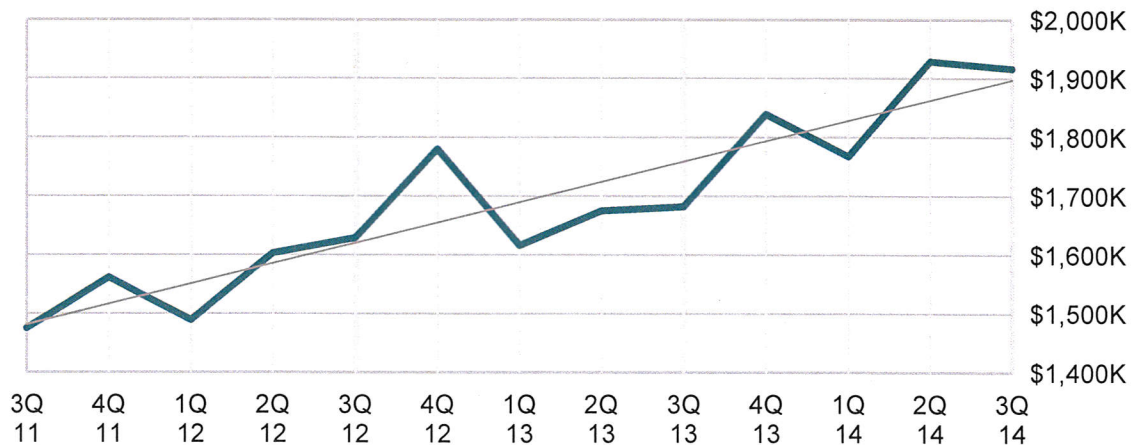
Count: 69



Agency Trend

**Alameda**

13 Quarter Trend: +28.1%



Periods shown reflect the period in which the sales occurred - Point of Sale

# CITY OF ALAMEDA

## TOP GEOS - 13 QUARTER HISTORY

Geo Area Names

Sales Tax by Geographic areas

**Harbor Bay Business Park**

Count: 48

**South Shore Center**

Count: 71

**Park - South Of Lincoln**

Count: 313

**Clement Ave & Blanding Ave**

Count: 125

**Alameda Landing**

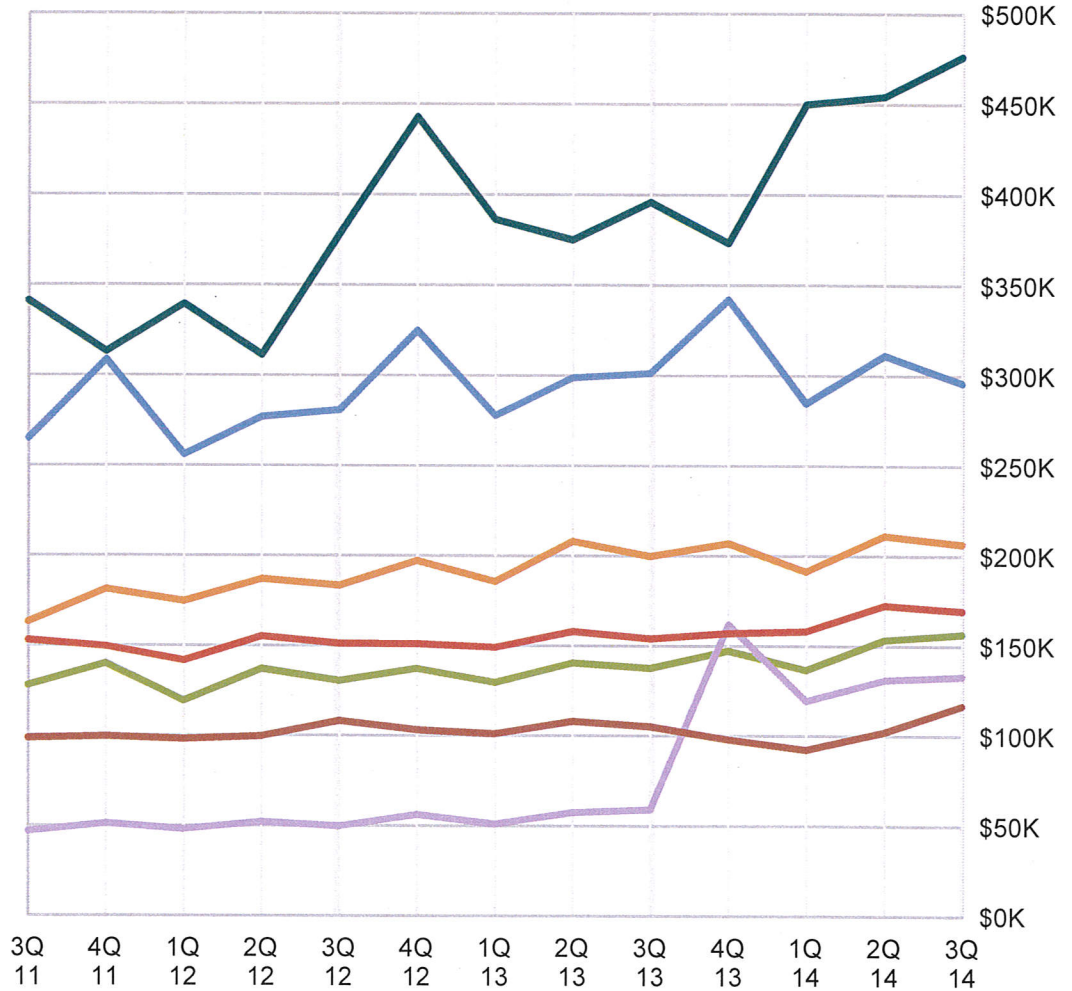
Count: 6

**Park - North Of Lincoln**

Count: 110

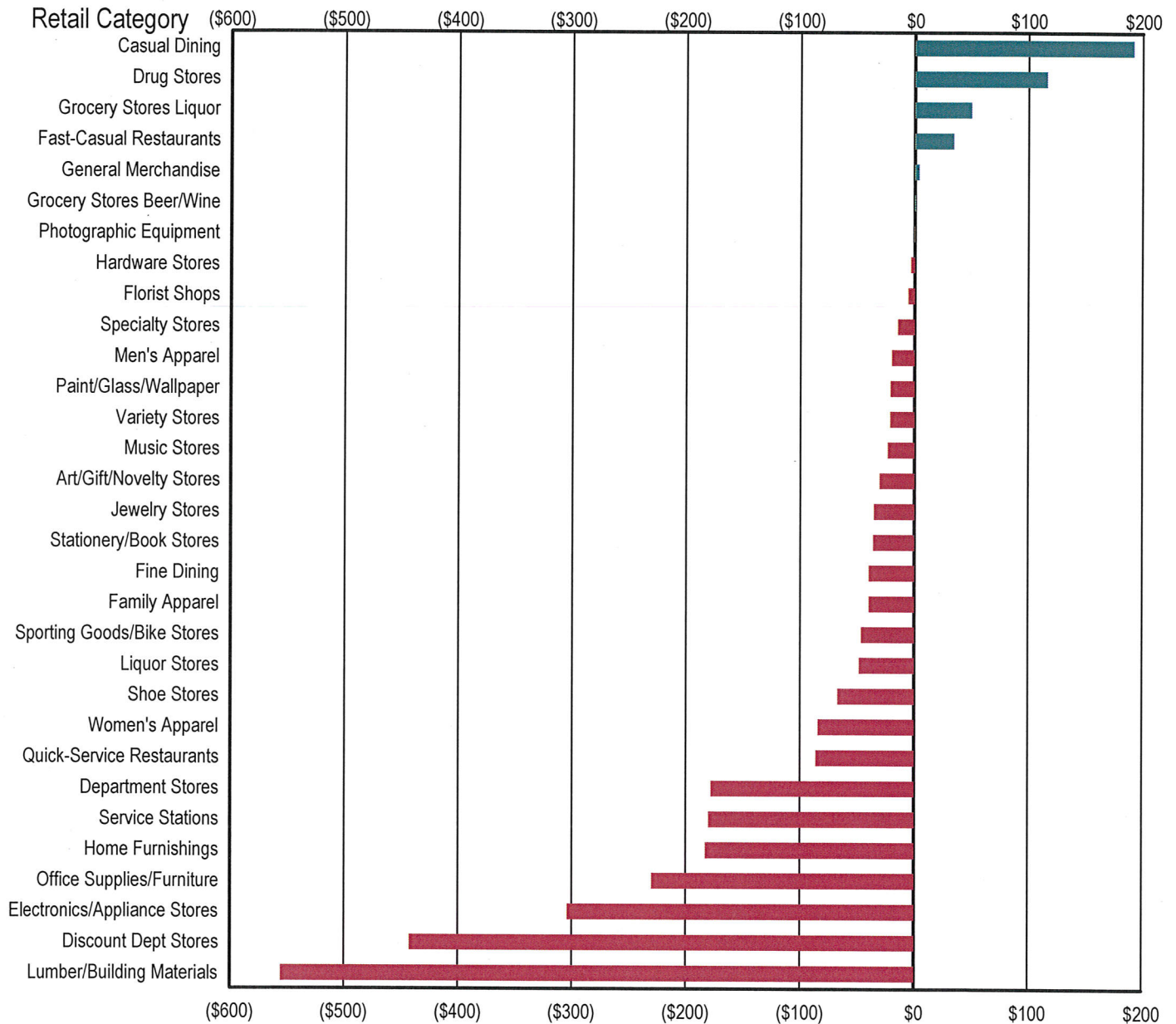
**Webster-north Of Lincoln**

Count: 40



\* Periods Shown Reflect the Period in Which the Sales Occurred - Point of Sale

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The above graph compares **per capita** sales tax generated from targeted retail categories against countywide averages. A **retail surplus** suggests the community is capturing its local market for that category of goods plus attracting shoppers from outside the jurisdiction. A **retail gap** suggests the possibility that residents may have a greater demand for products in the specific category than is being satisfied by local businesses. The information is provided only as a **starting point** in identifying potential sources of sales tax loss and should not automatically be interpreted as an expansion or leveraging opportunity without more detailed analysis and assessment.

# ALAMEDA COUNTY ALL AGENCIES

## SALES TAX TRENDS FOR ALL AGENCIES - 3Q 2014 SALES

Agency allocations reflect "point of sale" receipts

| Agency Name       | Count  | Current Year<br>3Q 2014 | Prior Year<br>3Q 2013 | Share of<br>County Pool | Actual Receipts<br>% Change | Adjusted*<br>% Change |
|-------------------|--------|-------------------------|-----------------------|-------------------------|-----------------------------|-----------------------|
| Alameda           | 3,113  | 1,972,213               | 1,682,571             | 3.1%                    | + 17.2%                     | + 14.0%               |
| Fremont           | 5,536  | 9,075,840               | 8,214,306             | 14.3%                   | + 10.5%                     | + 13.3%               |
| San Leandro       | 2,661  | 5,789,005               | 5,229,979             | 9.1%                    | + 10.7%                     | + 11.1%               |
| Livermore         | 2,788  | 5,671,425               | 5,270,108             | 9.0%                    | + 7.6%                      | + 8.5%                |
| Emeryville        | 898    | 1,963,327               | 1,891,193             | 3.1%                    | + 3.8%                      | + 7.3%                |
| Hayward           | 4,359  | 6,864,570               | 6,946,667             | 10.8%                   | - 1.2%                      | + 6.7%                |
| Newark            | 1,361  | 2,455,227               | 2,273,515             | 3.9%                    | + 8.0%                      | + 6.3%                |
| Alameda Co. Uninc | 2,480  | 2,123,861               | 1,979,890             | 3.4%                    | + 7.3%                      | + 6.0%                |
| Berkeley          | 4,969  | 3,995,677               | 3,815,686             | 6.3%                    | + 4.7%                      | + 5.3%                |
| Pleasanton        | 3,593  | 5,228,862               | 4,700,977             | 8.3%                    | + 11.2%                     | + 4.3%                |
| Dublin            | 1,357  | 4,148,494               | 3,879,631             | 6.5%                    | + 6.9%                      | + 3.8%                |
| Oakland           | 13,189 | 11,385,483              | 10,719,697            | 18.0%                   | + 6.2%                      | + 3.5%                |
| Union City        | 1,326  | 2,119,514               | 1,959,276             | 3.3%                    | + 8.2%                      | + 3.1%                |
| Piedmont          | 233    | 52,301                  | 84,245                | 0.1%                    | - 37.9%                     | + 0.6%                |
| Albany            | 545    | 511,320                 | 523,702               | 0.8%                    | - 2.4%                      | - 4.5%                |
| Totals            | 48,408 | 63,357,120              | 59,171,444            | 100.0%                  | + 7.1%                      | + 7.0%                |
| Alameda Pool      | 12,568 | 9,947,276               | 8,947,165             |                         | + 11.2%                     | + 6.5%                |

Per Capita Sales

**Alameda**

Count: 3,113

**Oakland**

Count: 13,189

**San Leandro**

Count: 2,661

**Albany**

Count: 545

**El Cerrito**

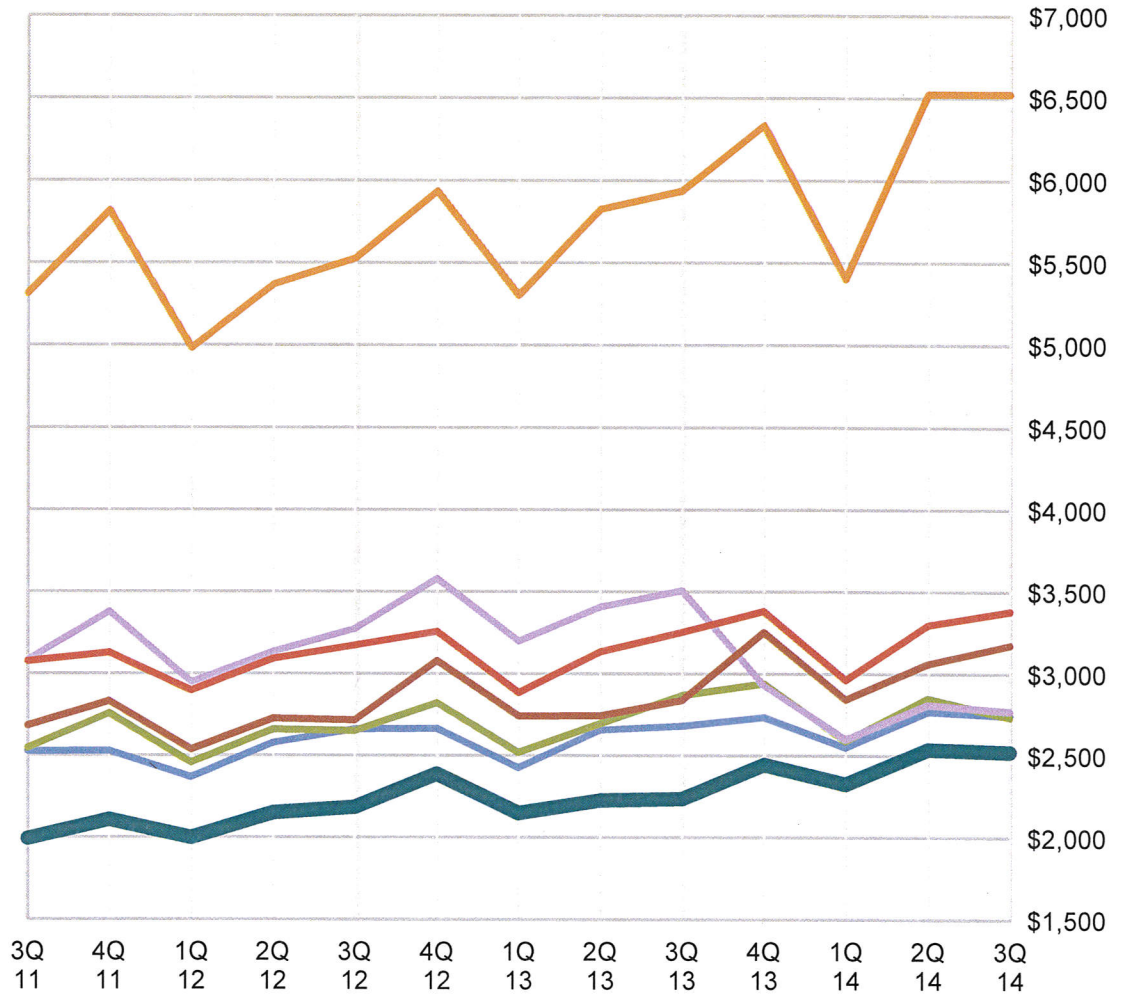
Count: 667

**Berkeley**

Count: 4,969

**Richmond**

Count: 2,197



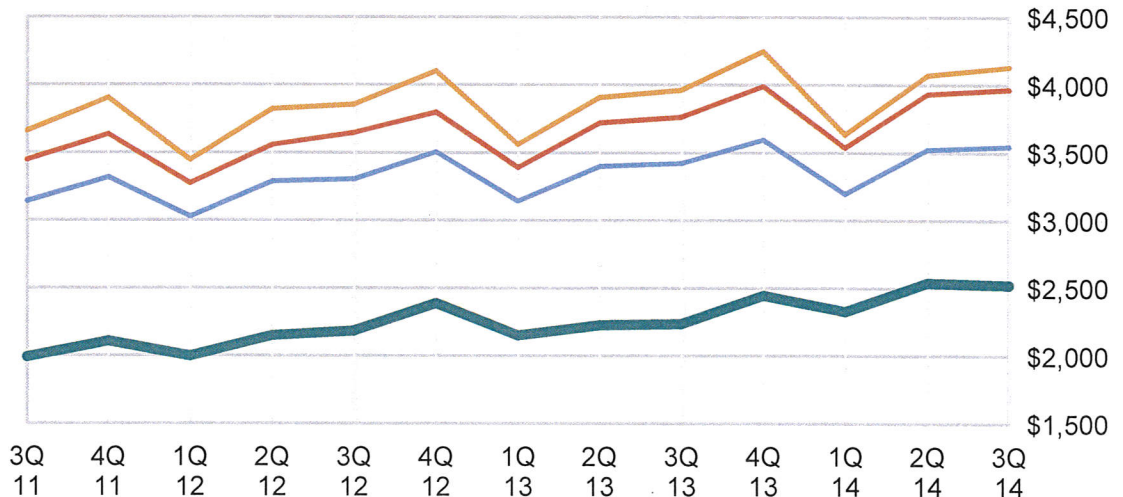
Per Capita Sales

**Alameda**

**Alameda County**

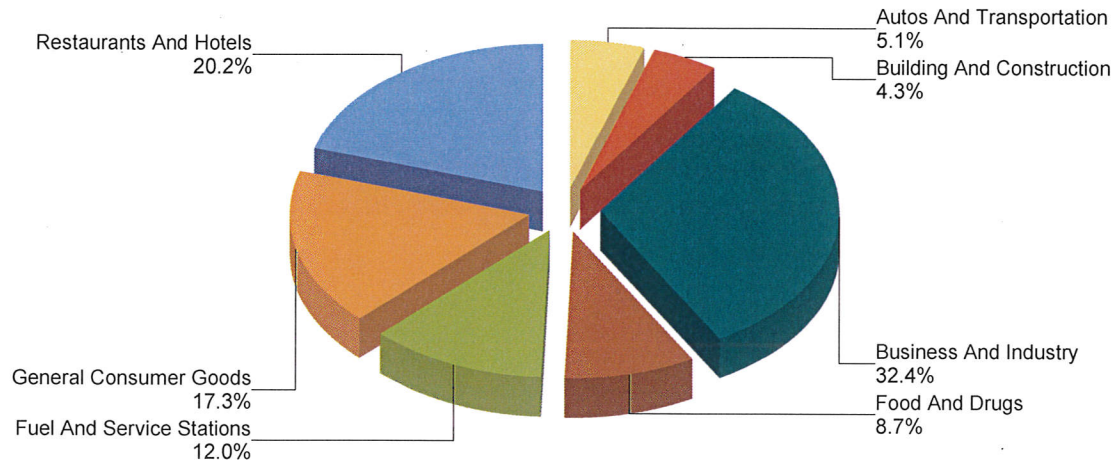
**Bay Area**

**California**

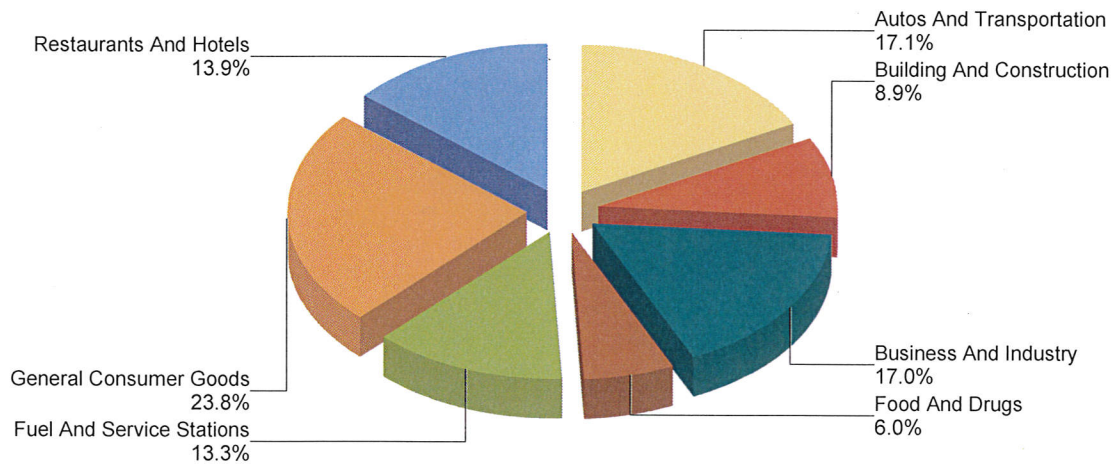


Periods shown reflect the period in which the sales occurred - Point of Sale

## City of Alameda



## HdL Client Database Statewide Totals





|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2014-15      | 2015-16       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| <b>Autos/Transportation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>7.1%</b>  | <b>4.5%</b>   |
| Easy credit and enticing new models are extending sales gains beyond industry analysts' original expectations. More fuel efficient drive trains, declining fuel prices and low interest, long term financing have buyers opting for higher cost SUV's and Crossovers with more accessories and upgrades.                                                                                                                                                                                                                                                                                                    |              |               |
| <b>Building/Construction</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>6.6%</b>  | <b>5.0%</b>   |
| Solid permit activity is anticipated for hotels, office and mixed use projects. Moderating prices and slow sales are expected to pare the number of single family starts. The home improvement segment is still strong. Federal and state construction budgets are slightly lower than last year.                                                                                                                                                                                                                                                                                                           |              |               |
| <b>Business/Industry</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>3.1%</b>  | <b>3.0%</b>   |
| Gains are expected in equipping new office projects, automation technology, telecommunications, semiconductors and suppliers to the medical/biotech, food processing and restaurant industries. Alternative energy and oil production projects are likely to slow. Slumping economies in Europe and Japan, a slowdown in China and California's drought should reduce capital investment in export manufacturing and agriculture related goods.                                                                                                                                                             |              |               |
| <b>Food/Drugs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>4.0%</b>  | <b>2.5%</b>   |
| Increased competition from big box retailers, introduction of new chains not currently operating in California, a growing push toward online purchases and home delivery of groceries make this a constantly evolving segment. Lower fuel prices should result in more spending on taxable items. However, as some grocery operations combine their tax returns with fuel sales, a few jurisdictions may experience revenue declines in this group.                                                                                                                                                         |              |               |
| <b>Fuel/Service Stations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>-4.6%</b> | <b>-13.0%</b> |
| New technology has increased the production and supply of North American oil while a sluggish international economy and gains in fuel efficiency have pared demand. OPEC is maintaining production levels to discourage investment in competing energy resources. Prices are expected to bottom out in early 2015, but remain weak through the year. Sales tax losses will be partially offset by increased travel and by costs associated with new cap and trade requirements set to be implemented in January.                                                                                            |              |               |
| <b>General Consumer Goods</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>3.6%</b>  | <b>3.0%</b>   |
| The unexpected drop in fuel prices should make for better than previously predicted holiday spending although over the long run, much of the savings may be absorbed by rising costs of food and non-taxable necessities. Consumer electronics, pet and personal care products are projected to be particularly strong. With 44% of holiday spending predicted to be online, more of the resulting tax gain will shift to the county allocation pools or to a few centralized fulfillment centers. Higher sales of holiday gift cards will shift tax revenues into future quarters when the cards are used. |              |               |
| <b>Restaurants/Hotels</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>7.1%</b>  | <b>6.0%</b>   |
| Lower fuel prices will further enhance California's already booming growth in domestic and international tourism. Extra spending from fuel savings could make this segment the largest beneficiary of lower fuel prices. Fast-casual dining concepts are predicted to continue outperforming other categories of restaurants.                                                                                                                                                                                                                                                                               |              |               |
| <b>State and County Pools</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>10.5%</b> | <b>10.0%</b>  |
| Much of the merchandise purchased online is shipped from out of state with the resulting tax distributed through countywide allocation pools rather than to the location of brick and mortar stores. The acceleration in online shopping, increased private party auto sales and more purchases of goods where the price includes onsite installation could make this segment the primary component of sales and use tax increases for many jurisdictions.                                                                                                                                                  |              |               |
| <b>TOTAL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>4.5%</b>  | <b>2.9%</b>   |

**Proposition 172 projections vary from statewide Bradley-Burns calculations due to the State's utilization of differing collection periods in its allocation to counties. An increase of 4.5% is projected for Fiscal Year 2014-15 which includes a onetime bump to reimburse counties for the previous shortfalls that HdL identified in the state's distribution formulas. A statewide gain of 2.1% is projected for Fiscal year 2015-16.**