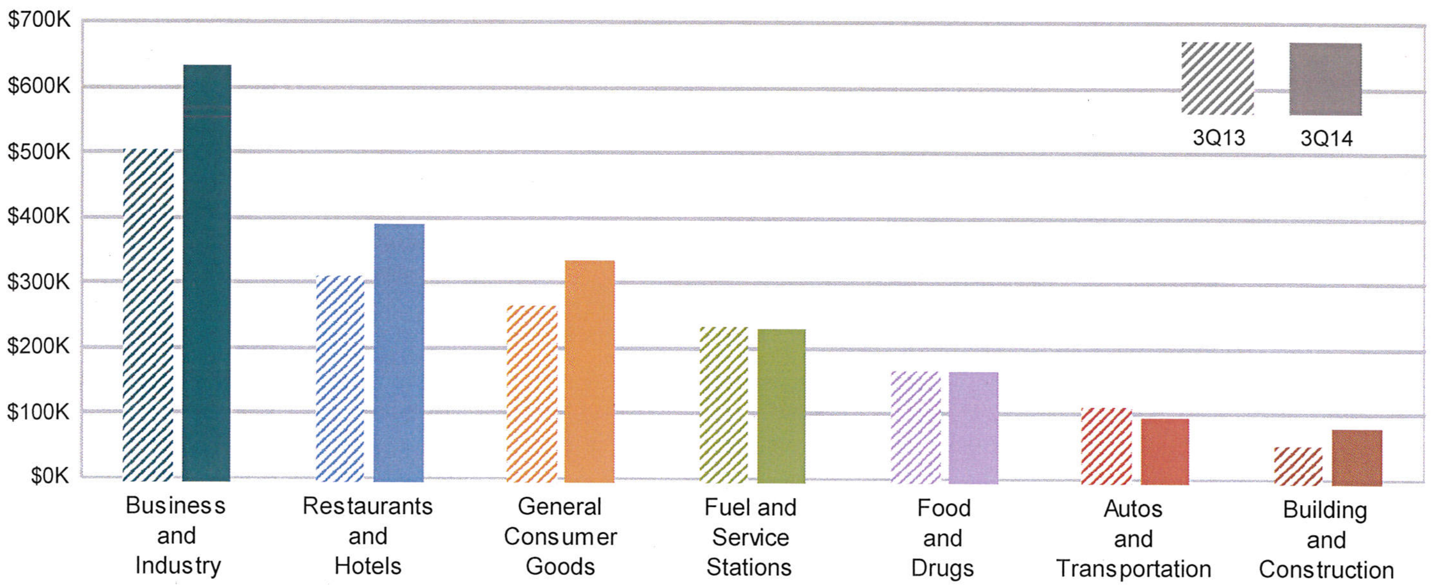
CITY OF Alameda

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

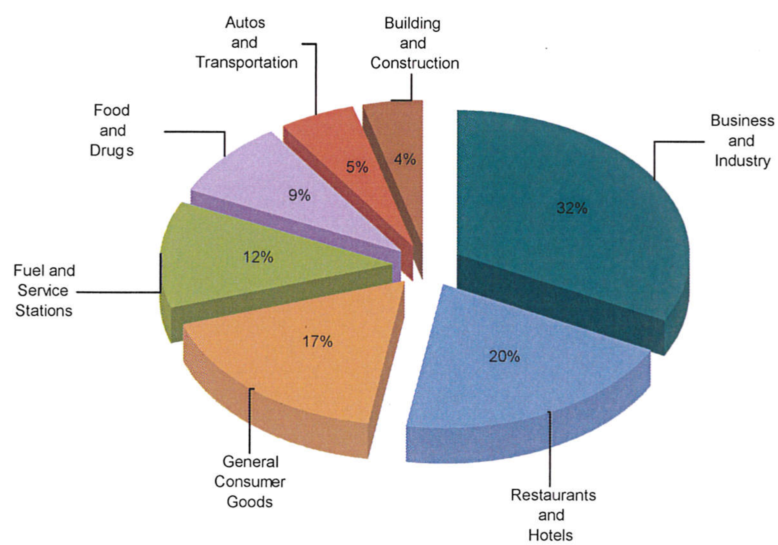
CITY OF ALAMEDA
MAJOR INDUSTRY GROUPS

Major Industry Group	Count	3Q14	3Q13	$ Change	% Change
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-
Total	3,113	1,972,213	1,682,571	289,642	17.2%

3Q13 Compared To 3Q14



3Q14 Percent of Total



ADJUSTED FOR ECONOMIC DATA

CITY OF ALAMEDA

MAJOR INDUSTRY GROUPS - 13 QUARTER HISTORY

Sales Tax by Major Industry Group

Business And Industry
Count: 647

Restaurants And Hotels
Count: 290

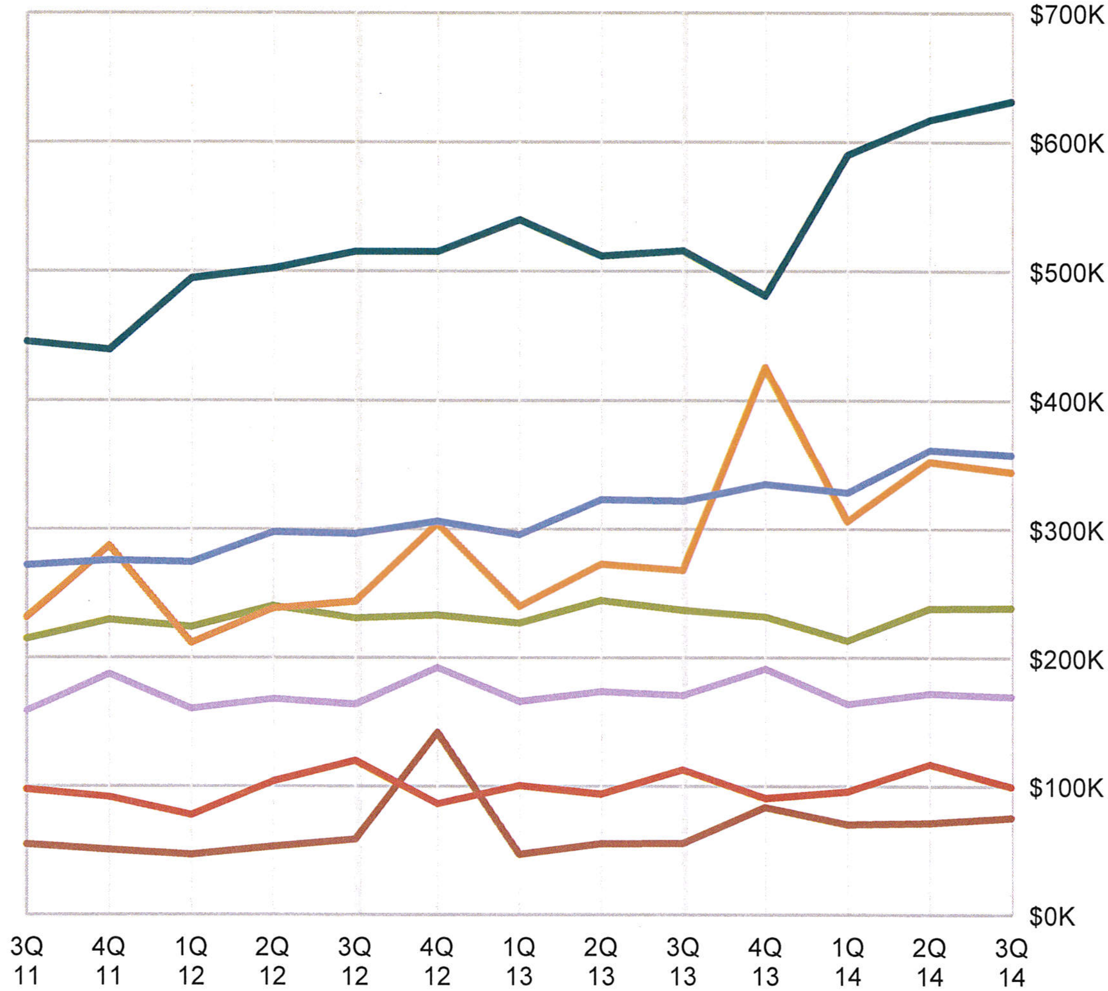
General Consumer Goods
Count: 1,878

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

HdL COMPANIES
ADJUSTED FOR ECONOMIC DATA

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

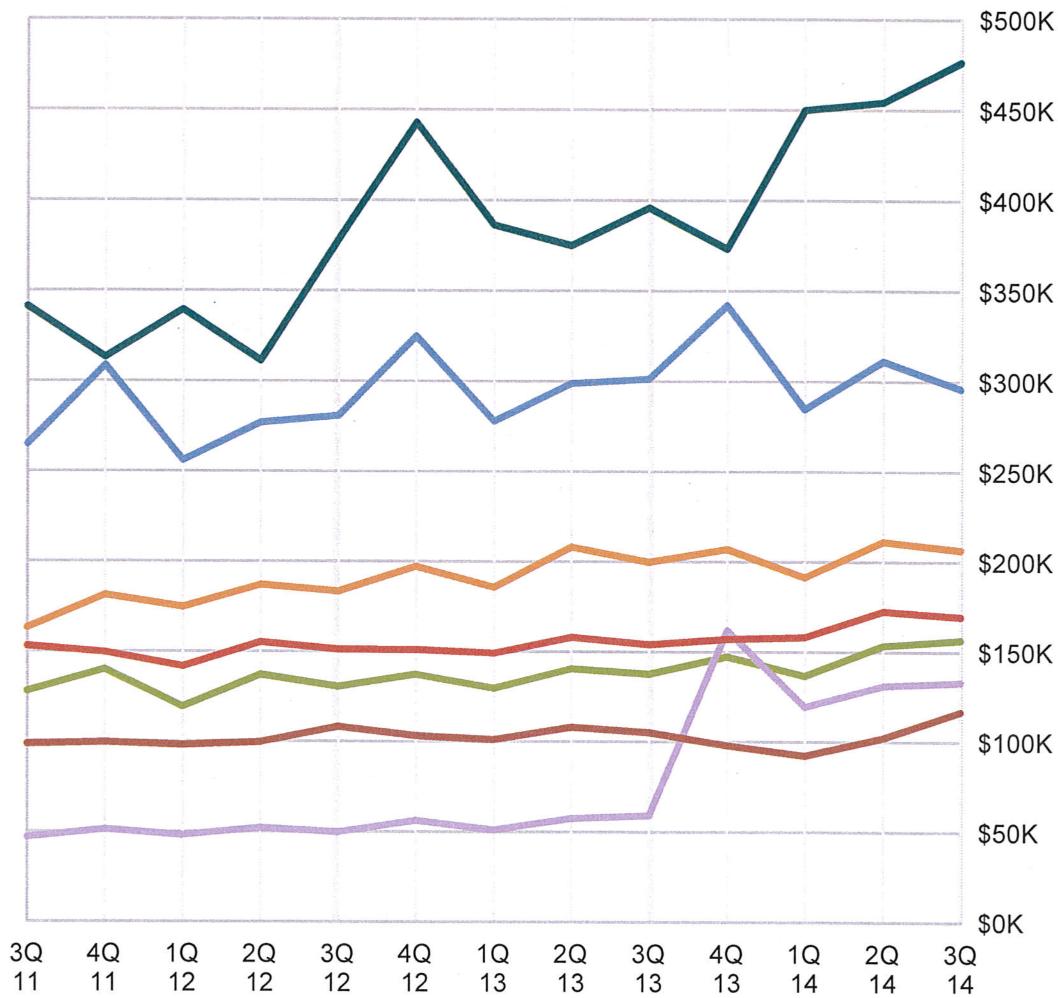
Park - South Of Lincoln
Count: 313

Clement Ave & Blanding Ave
Count: 125

Alameda Landing
Count: 6

Park - North Of Lincoln
Count: 110

Webster-north Of Lincoln
Count: 40

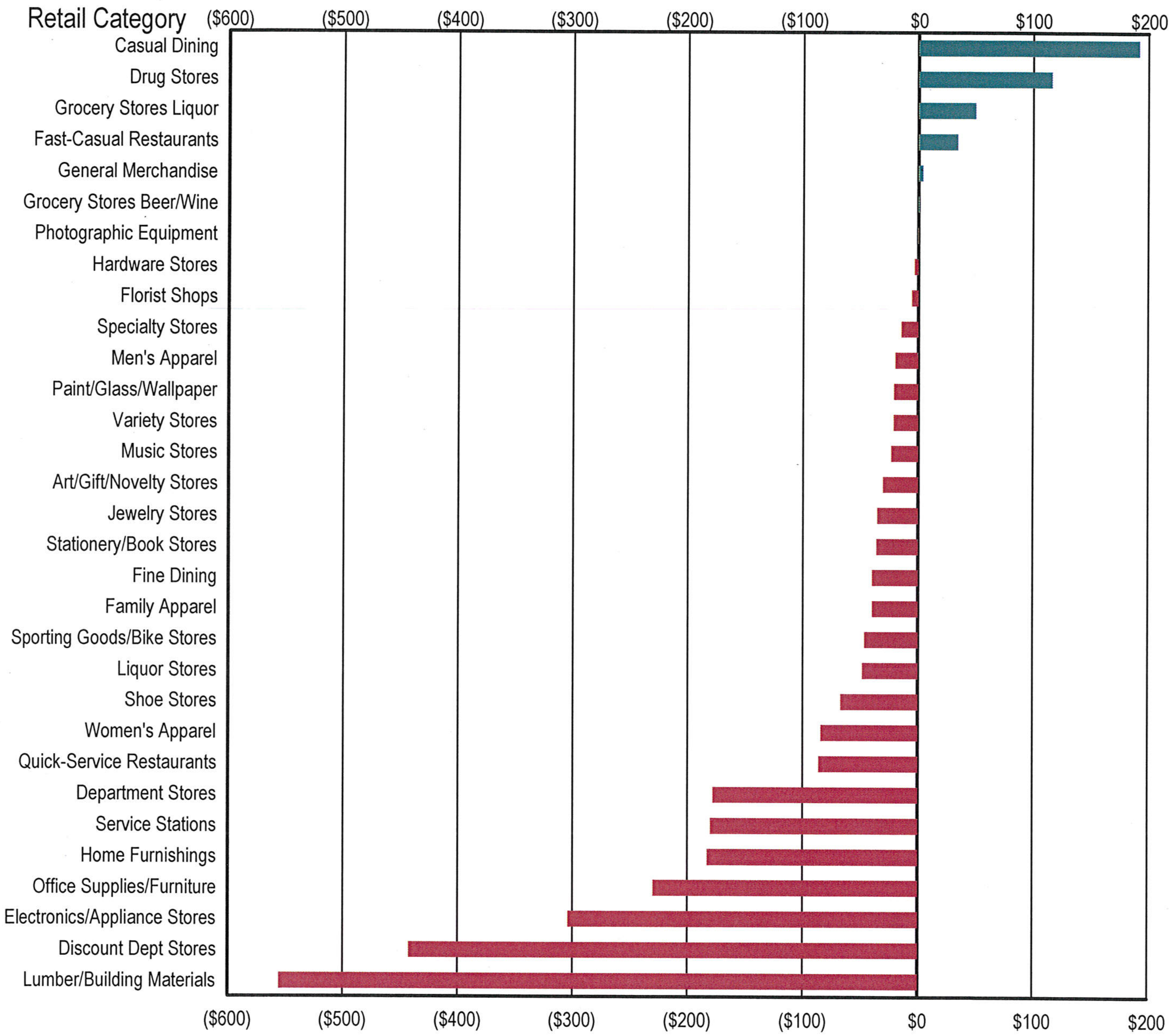


* Periods Shown Reflect the Period in Which the Sales Occurred - Point of Sale

CITY OF ALAMEDA

PER CAPITA SALES TAX SURPLUS/GAP COMPARISON - 4 QUARTERS ENDING 3Q 2014

ADJUSTED FOR ECONOMIC DATA



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.

HdL COMPANIES

ALAMEDA COUNTY ALL AGENCIES

SALES TAX TRENDS FOR ALL AGENCIES - 3Q 2014 SALES

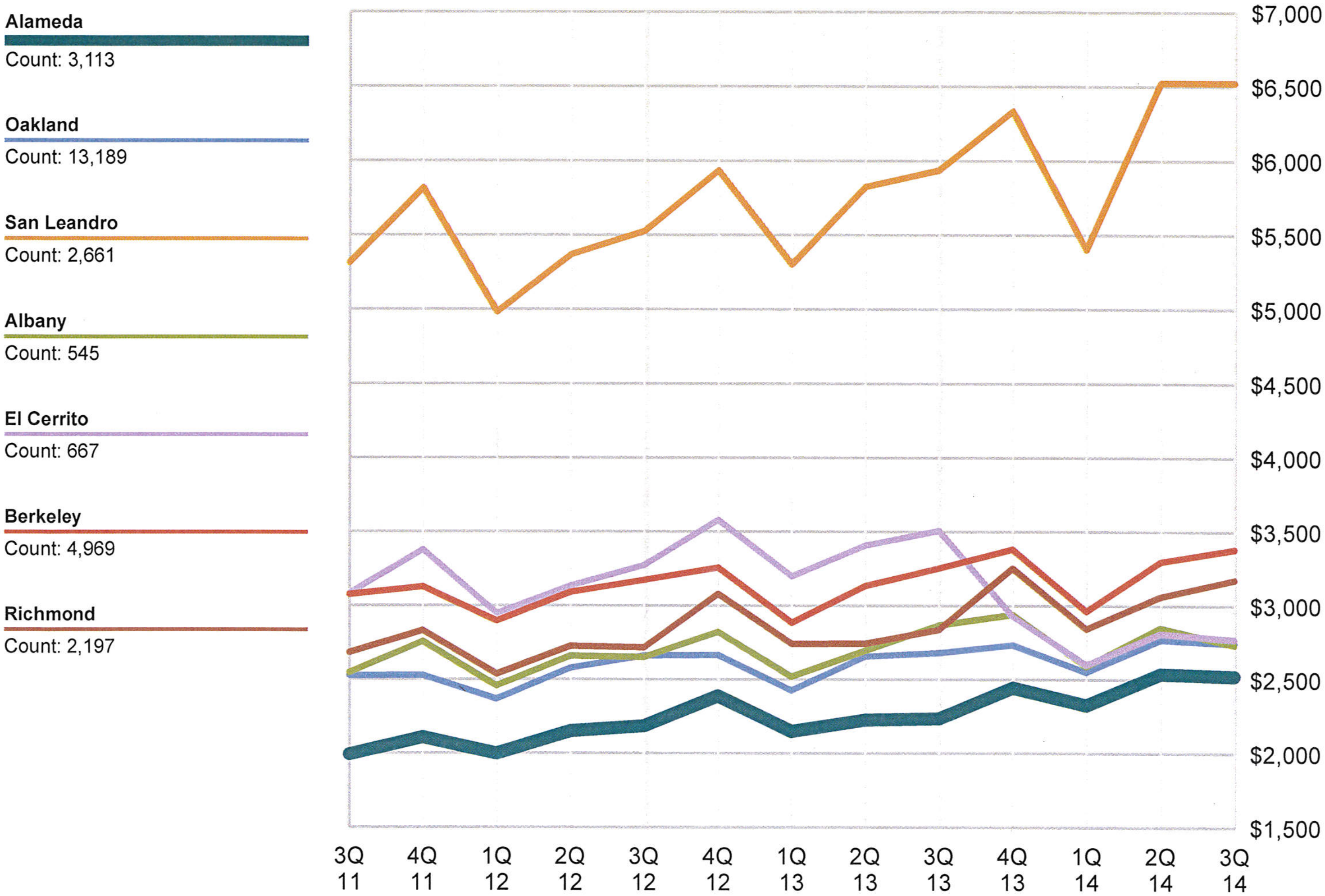
Agency allocations reflect "point of sale" receipts

Agency Name	Count	Current Year 3Q 2014	Prior Year 3Q 2013	Share of County Pool	Actual Receipts % Change	Adjusted* % 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%

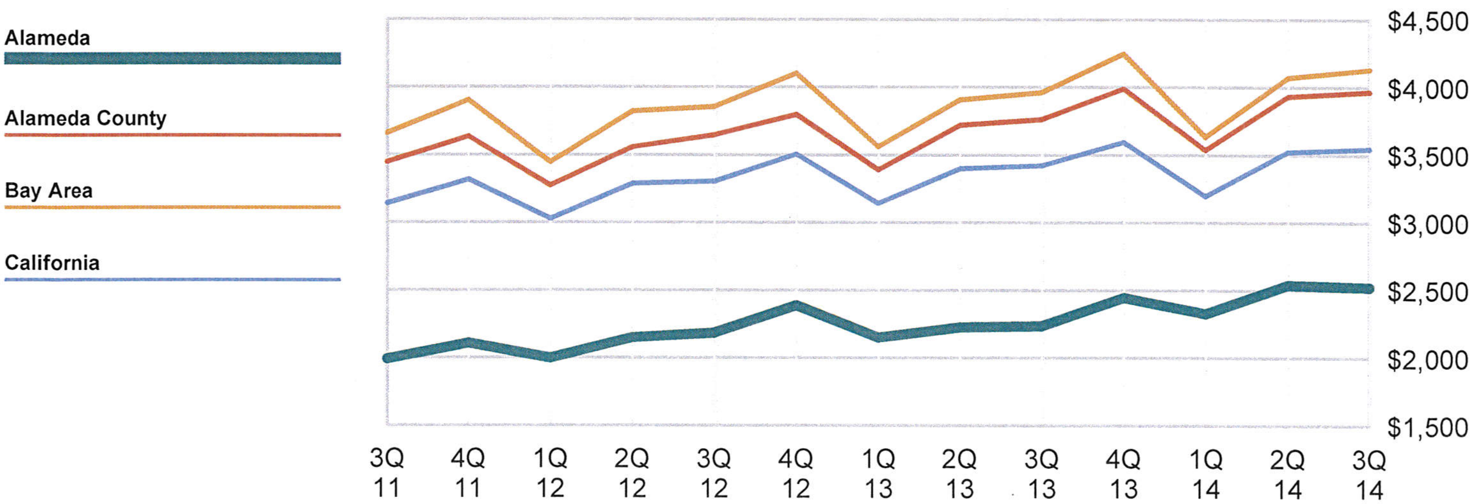
CITY OF ALAMEDA

AGENCY COMPARISONS

Per Capita Sales



Per Capita Sales

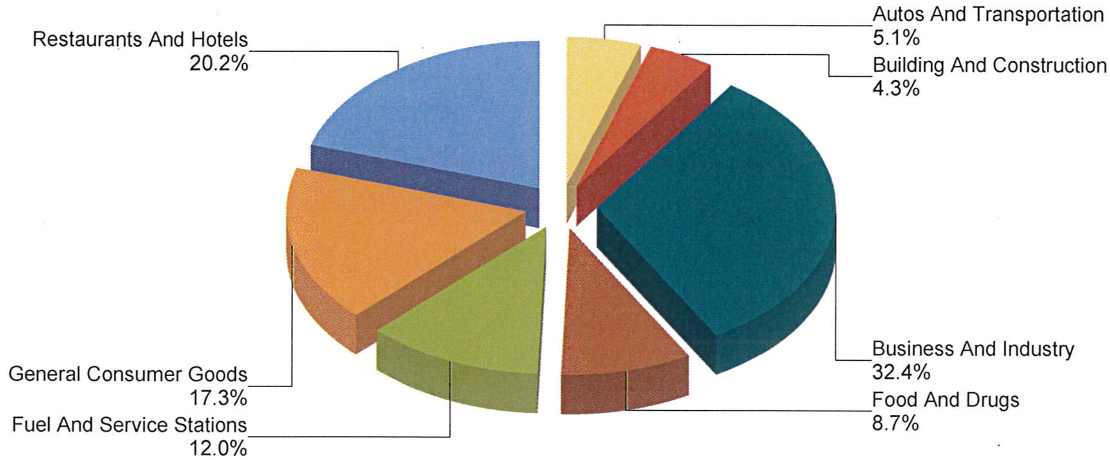


Periods shown reflect the period in which the sales occurred - Point of Sale

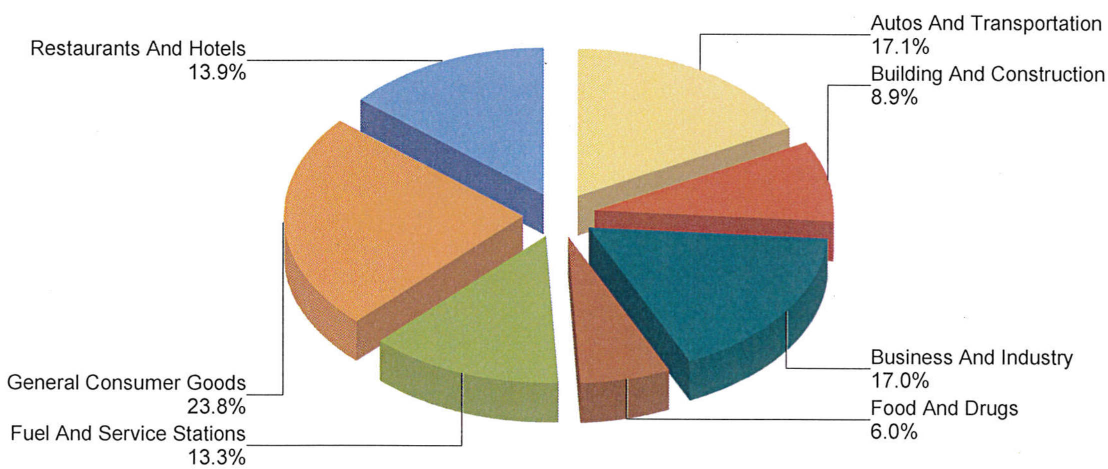
CITY TO STATE COMPARISON

3Q 2014

City of Alameda



HdL Client Database Statewide Totals



HdL COMPANIES

HdL Consensus Forecast – January 2015

STATEWIDE SALES TAX TRENDS

	2014-15	2015-16
Autos/Transportation	7.1%	4.5%

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.

Building/Construction	6.6%	5.0%

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.

Business/Industry	3.1%	3.0%

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.

Food/Drugs	4.0%	2.5%

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.

Fuel/Service Stations	-4.6%	-13.0%

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.

General Consumer Goods	3.6%	3.0%

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.

Restaurants/Hotels	7.1%	6.0%

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.

State and County Pools	10.5%	10.0%

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.

TOTAL	4.5%	2.9%

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.