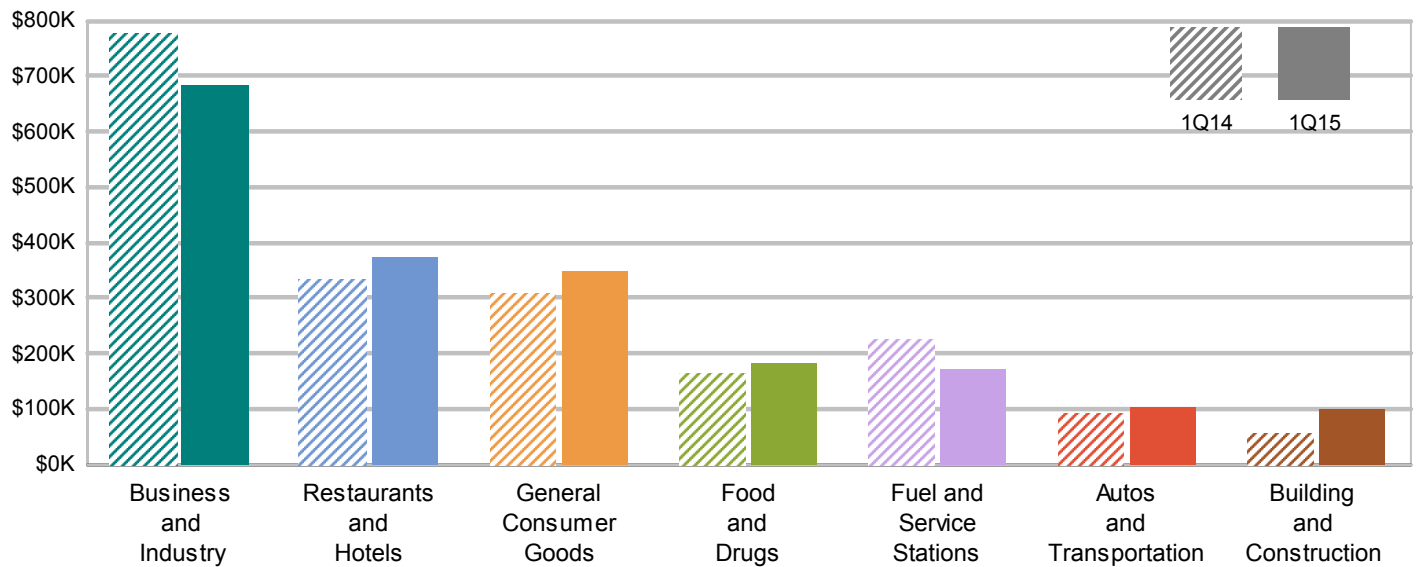




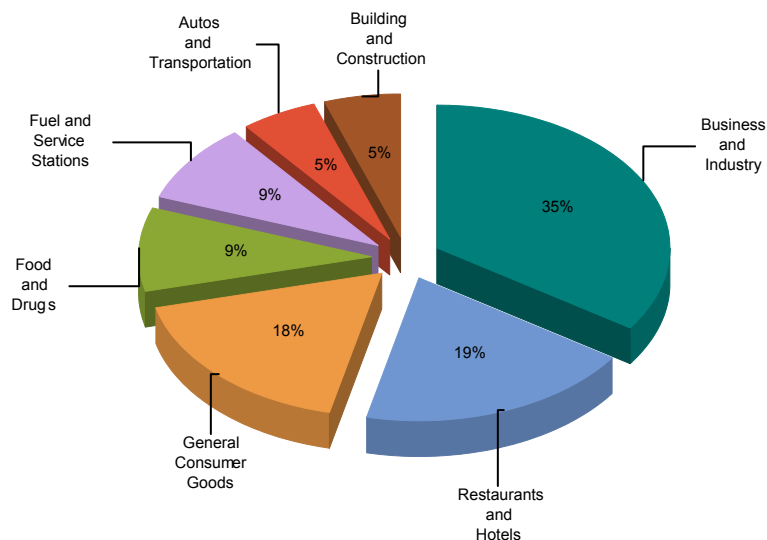
Quarterly Sales Tax Report
for the Period Ending
June 30, 2015

Major Industry Group	Count	1Q15	1Q14	\$ Change	% Change
Business and Industry	661	683,212	777,205	(93,993)	-12.1%
Restaurants and Hotels	303	374,122	335,855	38,267	11.4%
General Consumer Goods	1,838	351,041	310,946	40,095	12.9%
Food and Drugs	92	185,318	165,779	19,539	11.8%
Fuel and Service Stations	20	175,352	227,216	(51,863)	-22.8%
Autos and Transportation	124	105,008	94,303	10,705	11.4%
Building and Construction	70	103,231	59,884	43,347	72.4%
Transfers & Unidentified	2	461	65	396	610.1%
Total	3,110	1,977,745	1,971,252	6,493	0.3%

1Q14 Compared To 1Q15



1Q15 Percent of Total



CITY OF ALAMEDA

MAJOR INDUSTRY GROUPS - 13 QUARTER HISTORY

Sales Tax by Major Industry Group

Business And Industry

Count: 661

Restaurants And Hotels

Count: 303

General Consumer Goods

Count: 1,838

Food And Drugs

Count: 92

Fuel And Service Stations

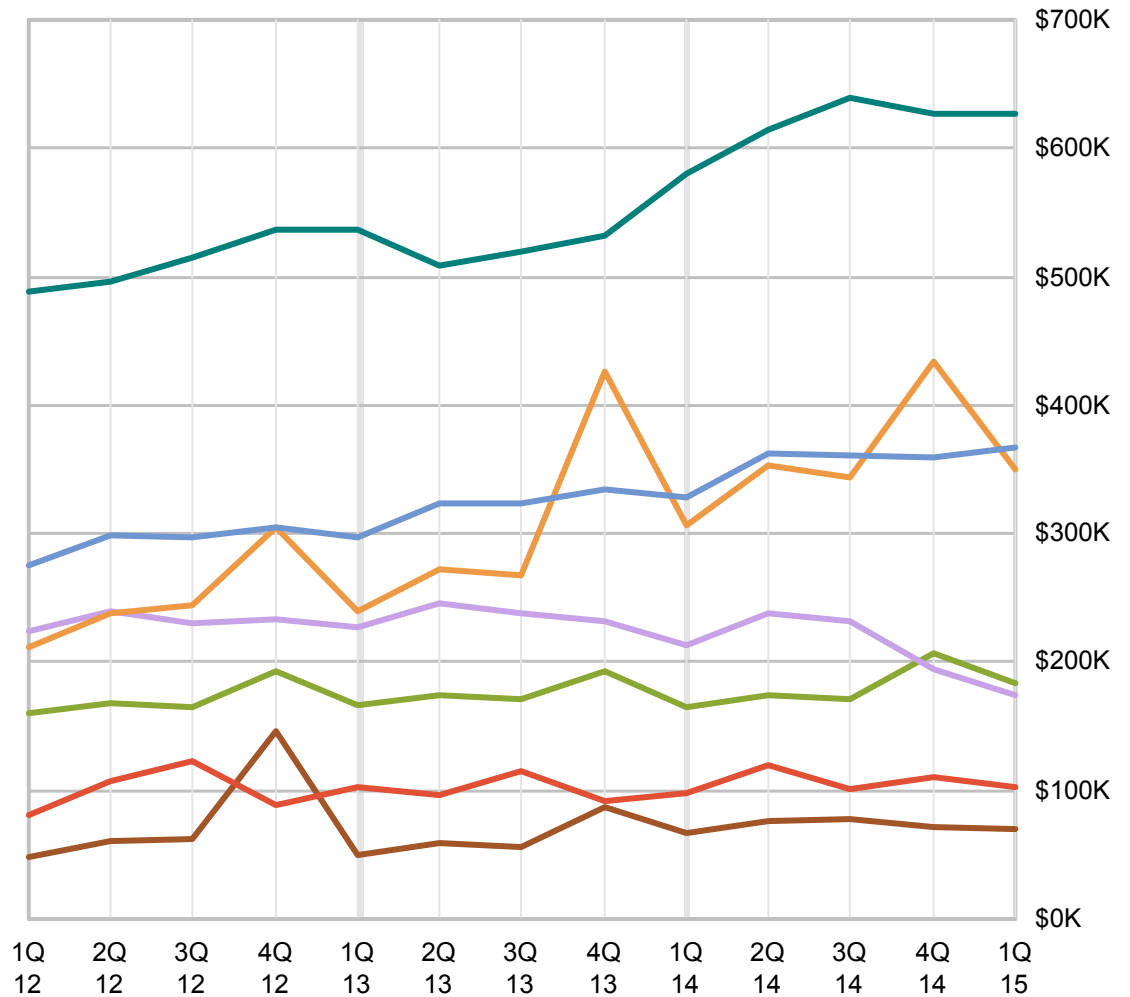
Count: 20

Autos And Transportation

Count: 124

Building And Construction

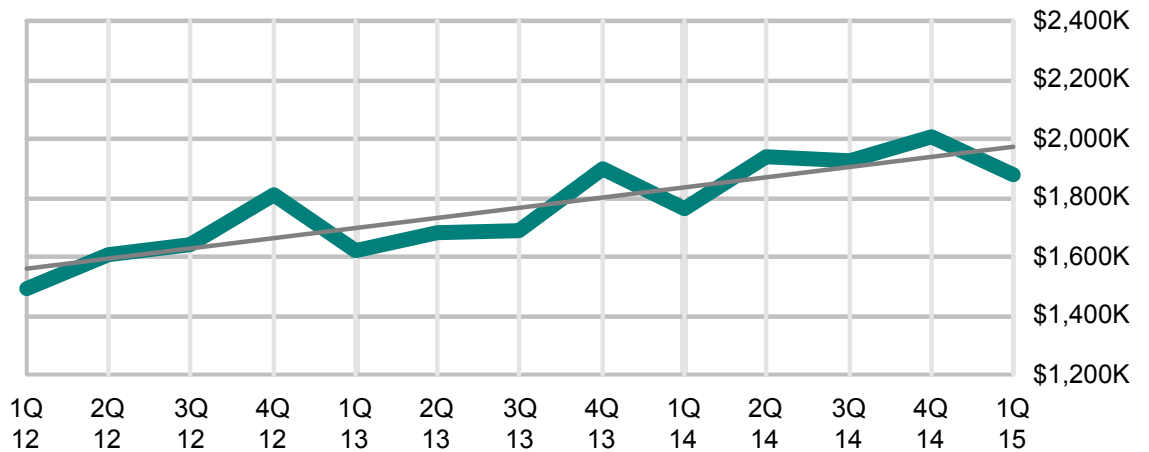
Count: 70



Agency Trend

Alameda

13 Quarter Trend: +26.8%



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

CONFIDENTIAL INFORMATION - DO NOT COPY OR DISTRIBUTE WITHOUT AUTHORIZATION

HdL • 909.861.4335 • www.hdlcompanies.com

CITY OF ALAMEDA

TOP GEOS - 13 QUARTER HISTORY

Geo Area Names

Sales Tax by Geographic areas

Harbor Bay Business Park

Count: 51

South Shore Center

Count: 83

Park - South Of Lincoln

Count: 315

Alameda Landing

Count: 17

Clement Ave & Blanding Ave

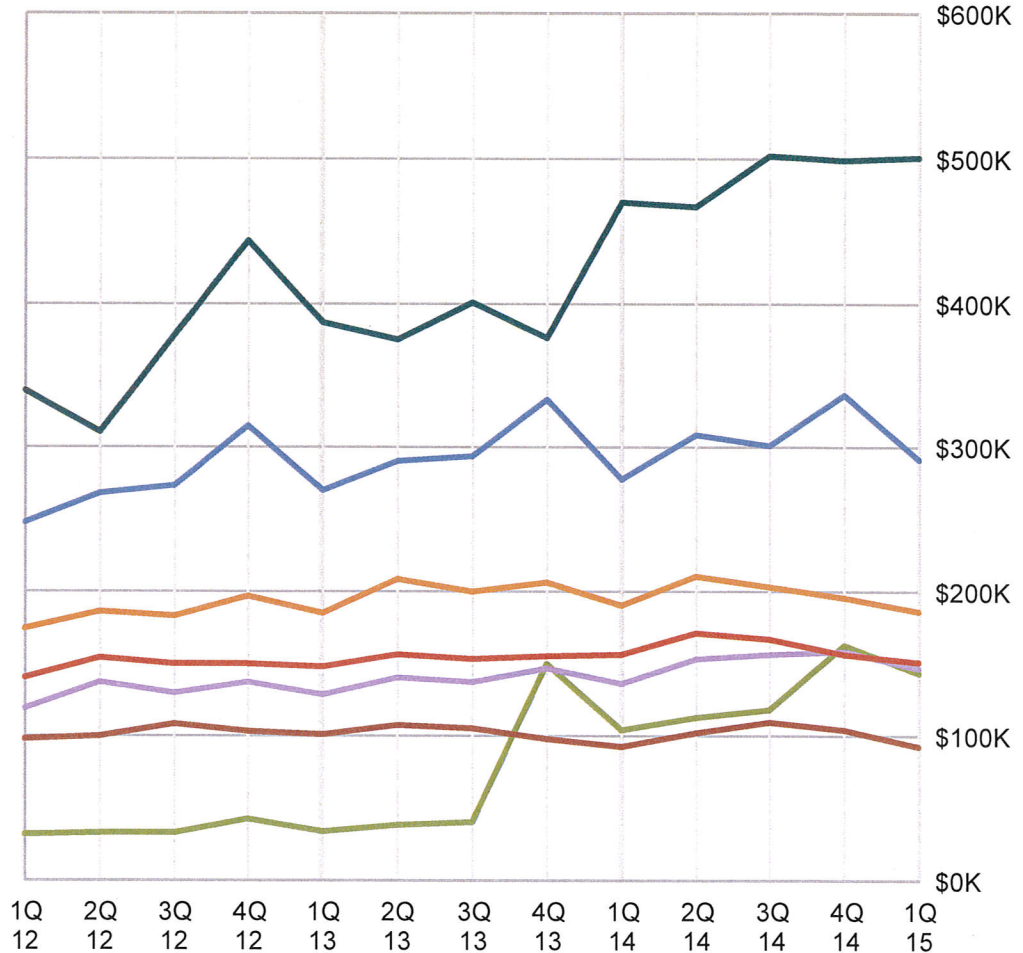
Count: 123

Park - North Of Lincoln

Count: 113

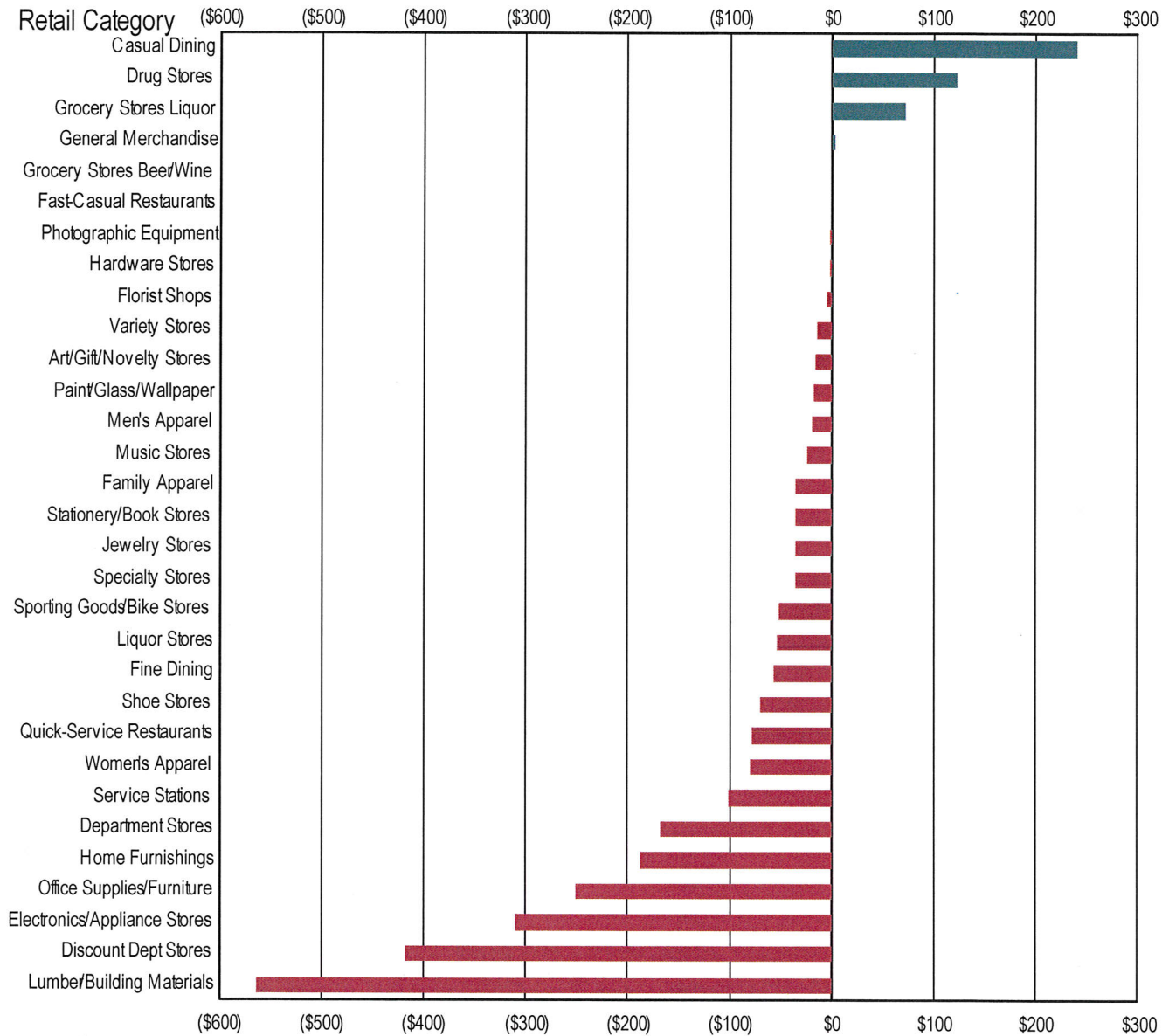
Webster-north Of Lincoln

Count: 40



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

CONFIDENTIAL INFORMATION - DO NOT COPY OR DISTRIBUTE WITHOUT AUTHORIZATION



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 - 1Q 2015 SALES

Agency allocations reflect "point of sale" receipts

Agency Name	Count	Current Year 1Q 2015	Prior Year 1Q 2014	Share of County Pool	Actual Receipts % Change	Adjusted* % Change
San Leandro	2,650	5,824,867	4,777,157	9.7%	+ 21.9%	+ 15.3%
Newark	1,352	2,353,574	2,151,897	3.9%	+ 9.4%	+ 11.5%
Dublin	1,375	3,914,507	3,744,830	6.5%	+ 4.5%	+ 11.1%
Fremont	5,481	8,477,204	8,309,018	14.2%	+ 2.0%	+ 9.9%
Piedmont	229	47,245	39,264	0.1%	+ 20.3%	+ 8.8%
Alameda Co. Uninc	2,523	1,937,647	1,686,883	3.2%	+ 14.9%	+ 8.6%
Alameda	3,110	1,977,745	1,971,252	3.3%	+ 0.3%	+ 6.5%
Berkeley	4,879	3,619,089	3,513,182	6.0%	+ 3.0%	+ 6.1%
Livermore	2,807	5,327,769	5,211,128	8.9%	+ 2.2%	+ 4.5%
Union City	1,286	2,080,285	1,952,878	3.5%	+ 6.5%	+ 3.8%
Pleasanton	3,584	4,659,866	4,171,247	7.8%	+ 11.7%	+ 3.7%
Albany	543	617,780	529,318	1.0%	+ 16.7%	+ 2.6%
Hayward	4,362	6,696,919	6,545,687	11.2%	+ 2.3%	+ 0.2%
Emeryville	891	1,841,933	1,812,917	3.1%	+ 1.6%	- 1.0%
Oakland	13,256	10,497,620	10,484,770	17.5%	+ 0.1%	- 2.4%
Totals	48,328	59,874,049	56,901,428	100.0%	+ 5.2%	+ 5.1%
Alameda Pool	12,835	6,426,595	8,868,575		- 27.5%	+ 0.7%

CITY OF ALAMEDA

AGENCY COMPARISONS

Per Capita Sales

Alameda

Count: 3,110

Oakland

Count: 13,256

San Leandro

Count: 2,650

El Cerrito

Count: 658

Berkeley

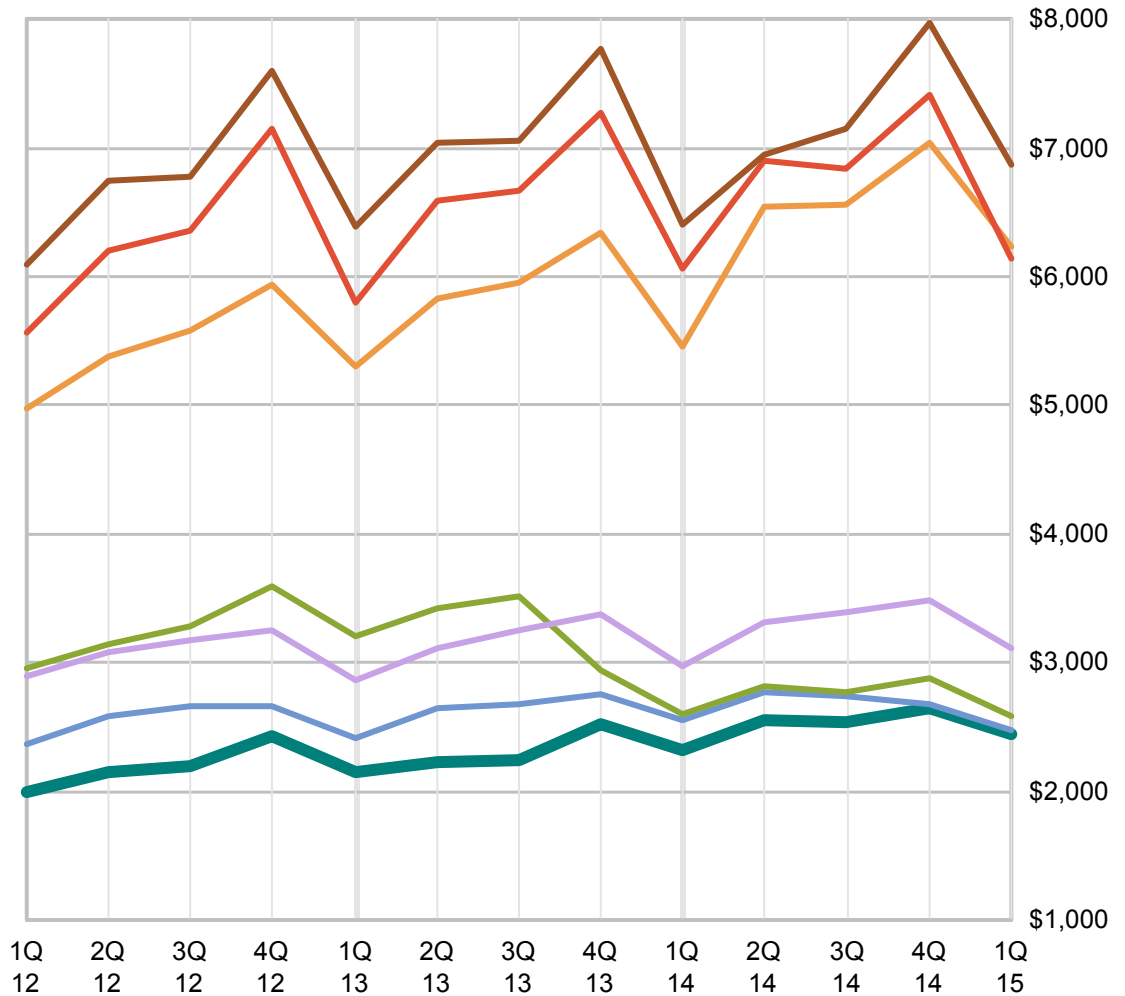
Count: 4,879

Pleasanton

Count: 3,584

Walnut Creek

Count: 2,833



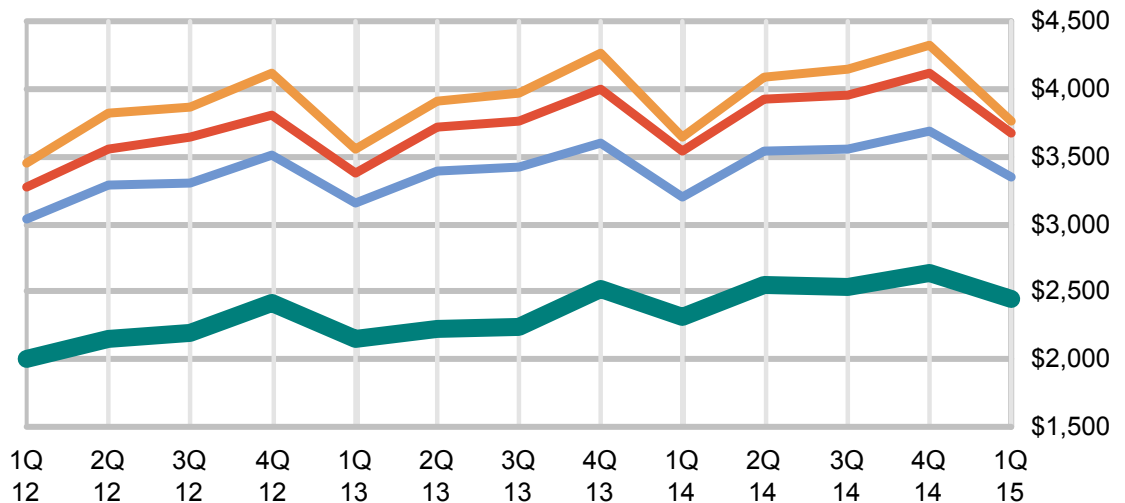
Per Capita Sales

Alameda

Alameda County

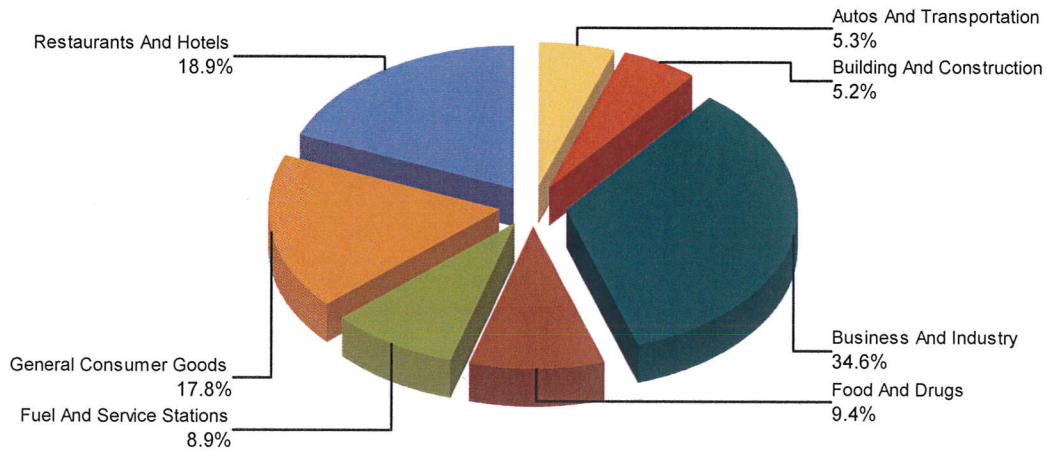
Bay Area

California

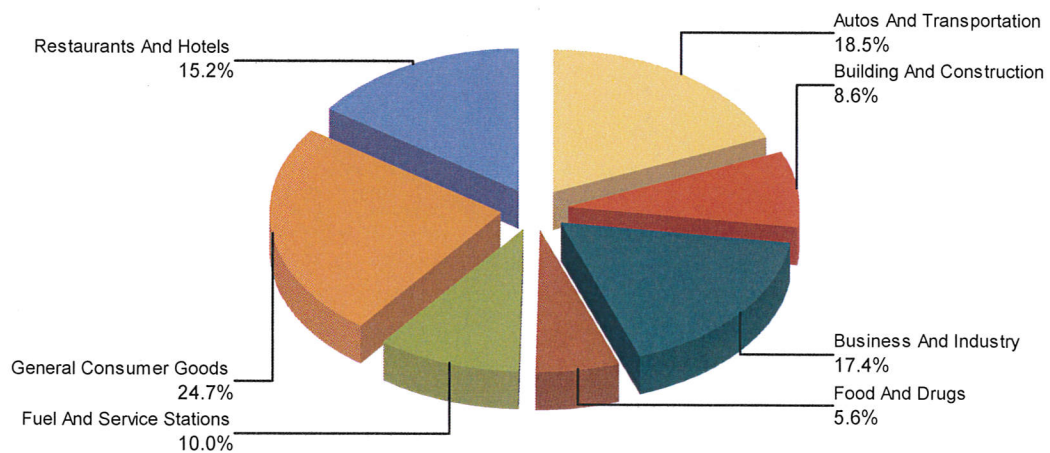


Periods shown reflect the period in which the sales occurred - Point of Sale

City of Alameda



HdL Client Database Statewide Totals



Q1 2015



City of Alameda Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2015)

Alameda In Brief

Receipts for Alameda's January through March sales were 4.0% below the same quarter one year ago. Net of reporting aberrations, actual sales were up 5.0%.

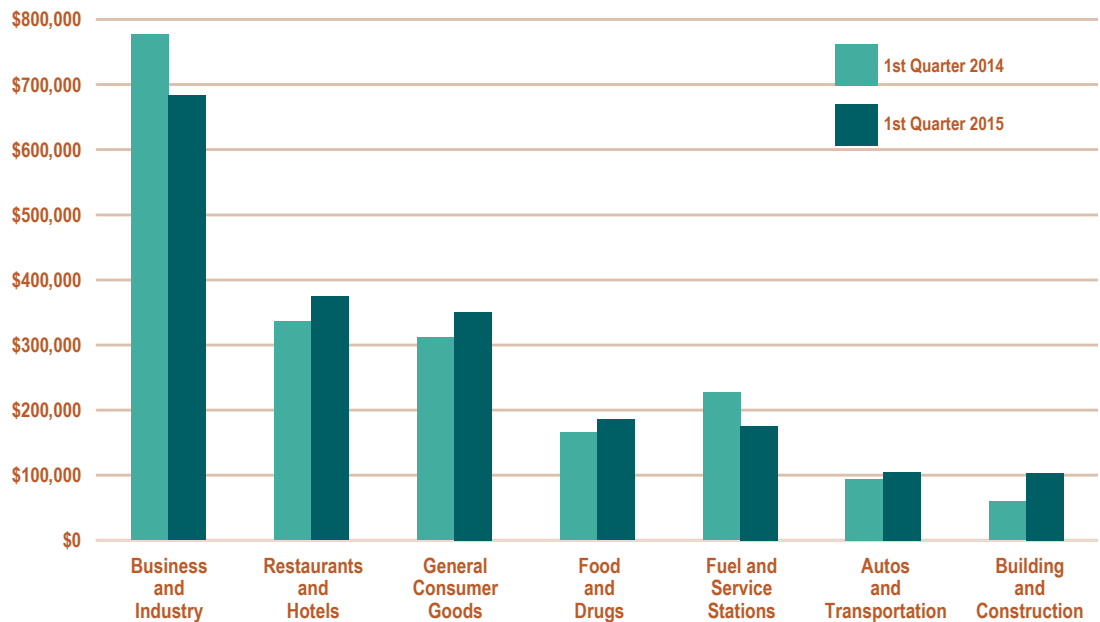
The disparity between cash receipts and local economic activity was mainly due to retroactive accounting adjustments that temporarily inflated business and industry totals in the comparison quarter.

General consumer goods and restaurant and hotel segments showed solid increases while also benefiting from new business additions. Onetime accounting adjustments generated most of the increase in the building and construction and autos and transportation categories. Food and drug sales were solidly up.

Lower prices at the pump caused the drop in the fuel and service station comparison.

Adjusted for aberrations, taxable sales for all of Alameda County increased 4.5% over the comparable time period, while sales in the Bay Area were up 4.6%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

ABB Concise	Penumbra
Alameda Electrical Distributors	Rosenblum Cellars
Alameda Sushi House	Ross
American Hydrotech	Safeway
Chevron	Safeway Fuel Center
Chevron	Standard Process
CVS Pharmacy	Northern California
Delphi Productions	Target
Kohls	TJ Maxx
La Penca Azul	Trader Joes
Lucky Market	United States Pharmacopoeial Convention
Nob Hill Fuel	Walgreens
North Face	Webster 76

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2013-14	2014-15
Point-of-Sale	\$5,463,195	\$6,021,551
County Pool	901,553	847,295
State Pool	3,872	3,762
Gross Receipts	\$6,368,621	\$6,872,607
Cty/Cnty Share	(318,431)	(343,630)
Net Receipts	\$6,050,189	\$6,528,977
Less Triple Flip*	\$(1,512,547)	\$(1,632,244)

*Reimbursed from county compensation fund

Published by HdL Companies in Summer 2015

www.hdlcompanies.com | 888.861.0220



California as a Whole

Local one cent tax receipts from sales occurring January through March rose 3.65% over 2014's comparable quarter after adjusting for reporting anomalies.

An exceptionally strong quarter for auto sales/leases and restaurants was the primary contributor to the overall increase. A rise in building-construction materials was also a factor although much of this growth came from specific office and sports facility projects in Northern California.

Gains from sales of general consumer goods were primarily in value priced clothing, home furnishings and specialty retail which includes pet supplies and cosmetics. Online shopping involving goods shipped from out of state continues to shift a major portion of the growth in general consumer goods to the countywide pools.

The statewide gains were largely offset by a 21% decline in receipts from fuel and service stations.

Tax on Services

The Board of Equalization has released an estimate that levying sales and use tax on services would raise over \$122.5 billion in state and local revenues or enough to lower the overall tax rate to under 4%.

Originally imposed in 1933 as a 2 ½% tax with only three exemptions, the legislature has gradually exempted more and more goods from the sales tax while raising rates to compensate for the corresponding revenue loss. This and the state's shift from a manufacturing to service economy has created the nation's highest sales tax rate on the narrowest basket of goods.

Although more discussion is needed, there is interest in expanding the sales tax to services and lowering the rate to make the tax less regressive and

more competitive while providing greater flexibility in the development of local tax bases.

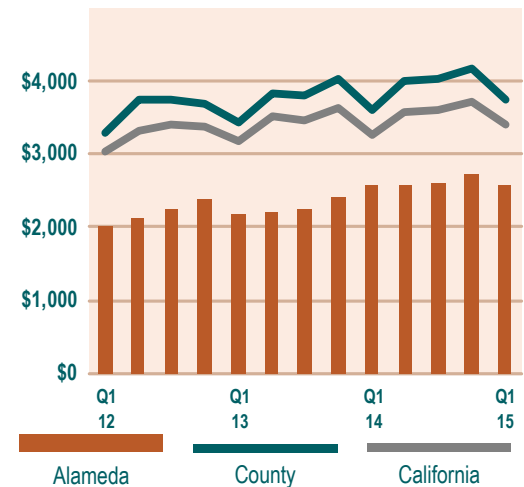
Tax on Jet Fuel

The Federal Aviation Administration has ruled that sales taxes on jet fuel must only be used for airport and aviation programs. The rule applies to taxes levied after 1987 but is unclear as to transactions tax districts, Proposition 172 revenues, or revenues collected by jurisdictions without airports. Clarification will not be available until FAA review and approval of a plan that has to be submitted by the state Department of Finance by December 8, 2015.

Tax on Marijuana

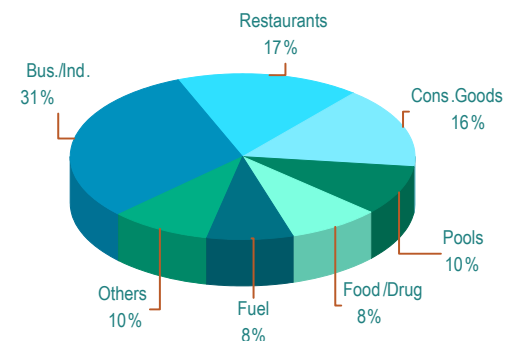
A pilot study for more effective tracking and collection of sales taxes on medical cannabis is underway in the central and northern California districts. Because current registration policy allows a "decline to state" to avoid self-incrimination, the precise number of cannabis retailers is unknown. BOE findings are expected by November 2015.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP

Alameda This Quarter



ALAMEDA TOP 15 BUSINESS TYPES

*In thousands		Alameda		County	HdL State
Business Type	Q1 '15*	Change		Change	Change
Boats/Motorcycles	43.1	6.8%		31.8%	13.3%
Business Services	45.8	-30.9%		-19.7%	26.0%
Casual Dining	187.6	8.5%		11.2%	5.5%
Discount Dept Stores	—	CONFIDENTIAL	—	5.0%	4.2%
Drug Stores	—	CONFIDENTIAL	—	4.7%	10.7%
Family Apparel	70.8	12.3%		8.4%	9.8%
Fine Dining	33.0	27.7%		31.9%	16.5%
Grocery Stores Liquor	78.7	17.8%		6.2%	5.1%
Light Industrial/Printers	42.0	40.5%		-0.4%	6.0%
Medical/Biotech	—	CONFIDENTIAL	—	9.7%	5.1%
Plumbing/Electrical Supplies	—	CONFIDENTIAL	—	31.2%	6.4%
Quick-Service Restaurants	111.0	10.7%		12.0%	10.6%
Service Stations	174.5	-22.2%		-24.7%	-21.9%
Specialty Stores	53.1	-5.9%		9.7%	9.9%
Wineries	49.8	na		67.7%	17.3%
Total All Accounts	\$1,977.7	0.3%		5.2%	3.6%
County & State Pool Allocation	\$212.3	-31.3%		-28.0%	1.1%
Gross Receipts	\$2,190.1	-4.0%		0.7%	3.3%
City/County Share	(109.5)	4.0%			
Net Receipts	\$2,080.6	-4.0%			