

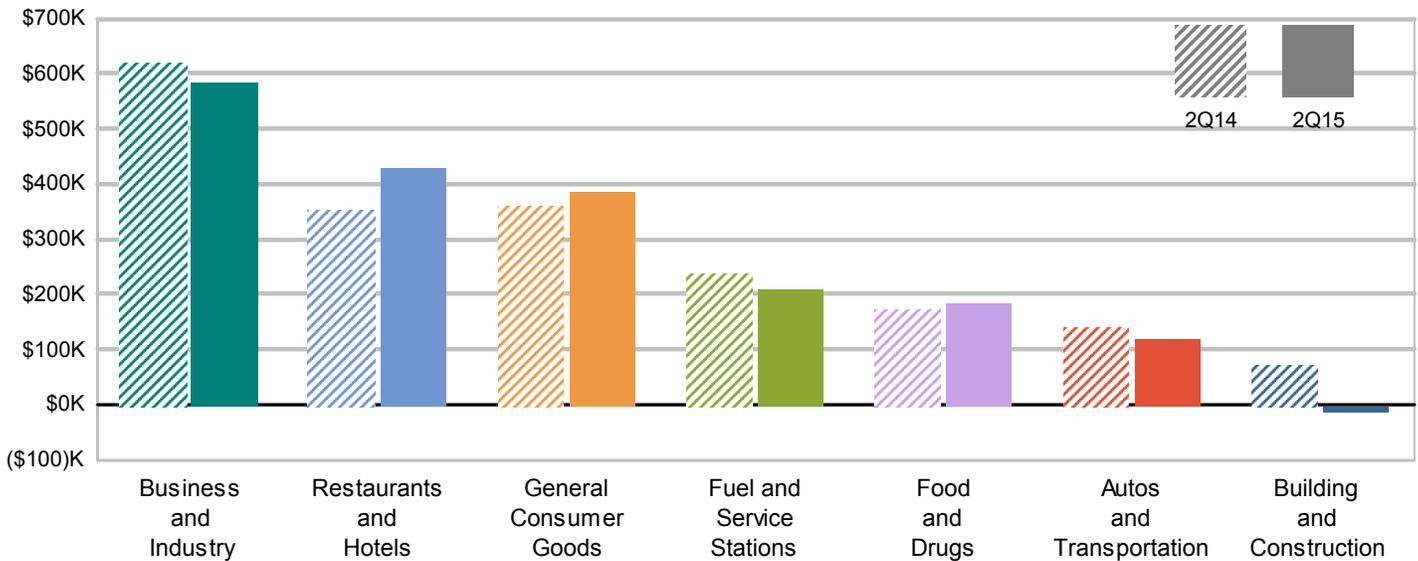


Quarterly Sales Tax Report  
for the Period Ending  
September 30, 2015

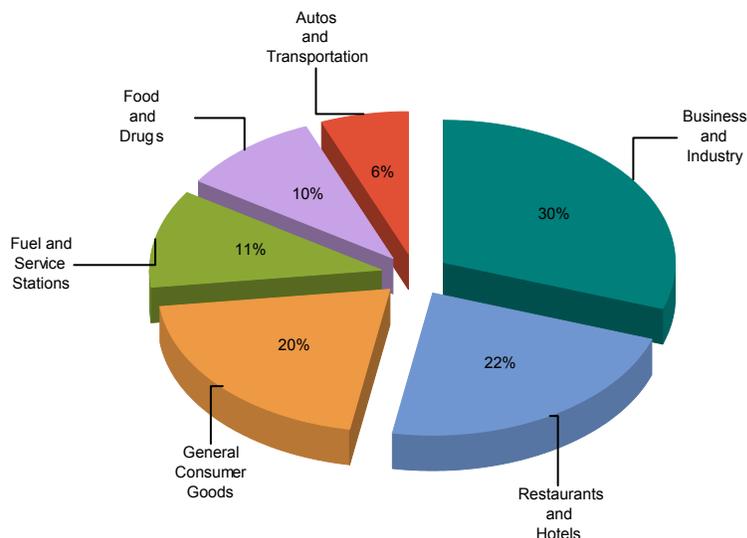


| Major Industry Group      | Count        | 2Q15             | 2Q14             | \$ Change       | % Change     |
|---------------------------|--------------|------------------|------------------|-----------------|--------------|
| Business and Industry     | 674          | 582,848          | 620,366          | (37,518)        | -6.0%        |
| Restaurants and Hotels    | 315          | 429,667          | 353,914          | 75,752          | 21.4%        |
| General Consumer Goods    | 1,865        | 387,973          | 362,920          | 25,053          | 6.9%         |
| Fuel and Service Stations | 20           | 211,333          | 238,464          | (27,131)        | -11.4%       |
| Food and Drugs            | 95           | 186,085          | 176,372          | 9,713           | 5.5%         |
| Autos and Transportation  | 123          | 119,626          | 143,725          | (24,099)        | -16.8%       |
| Transfers & Unidentified  | 1            | (425)            | 0                | (425)           | -N/A-        |
| Building and Construction | 68           | (11,931)         | 75,478           | (87,409)        | -115.8%      |
| <b>Total</b>              | <b>3,161</b> | <b>1,905,176</b> | <b>1,971,239</b> | <b>(66,063)</b> | <b>-3.4%</b> |

**2Q14 Compared To 2Q15**



**2Q15 Percent of Total**



Sales Tax by Major Industry Group

**Business And Industry**

Count: 674

**Restaurants And Hotels**

Count: 315

**General Consumer Goods**

Count: 1,865

**Fuel And Service Stations**

Count: 20

**Food And Drugs**

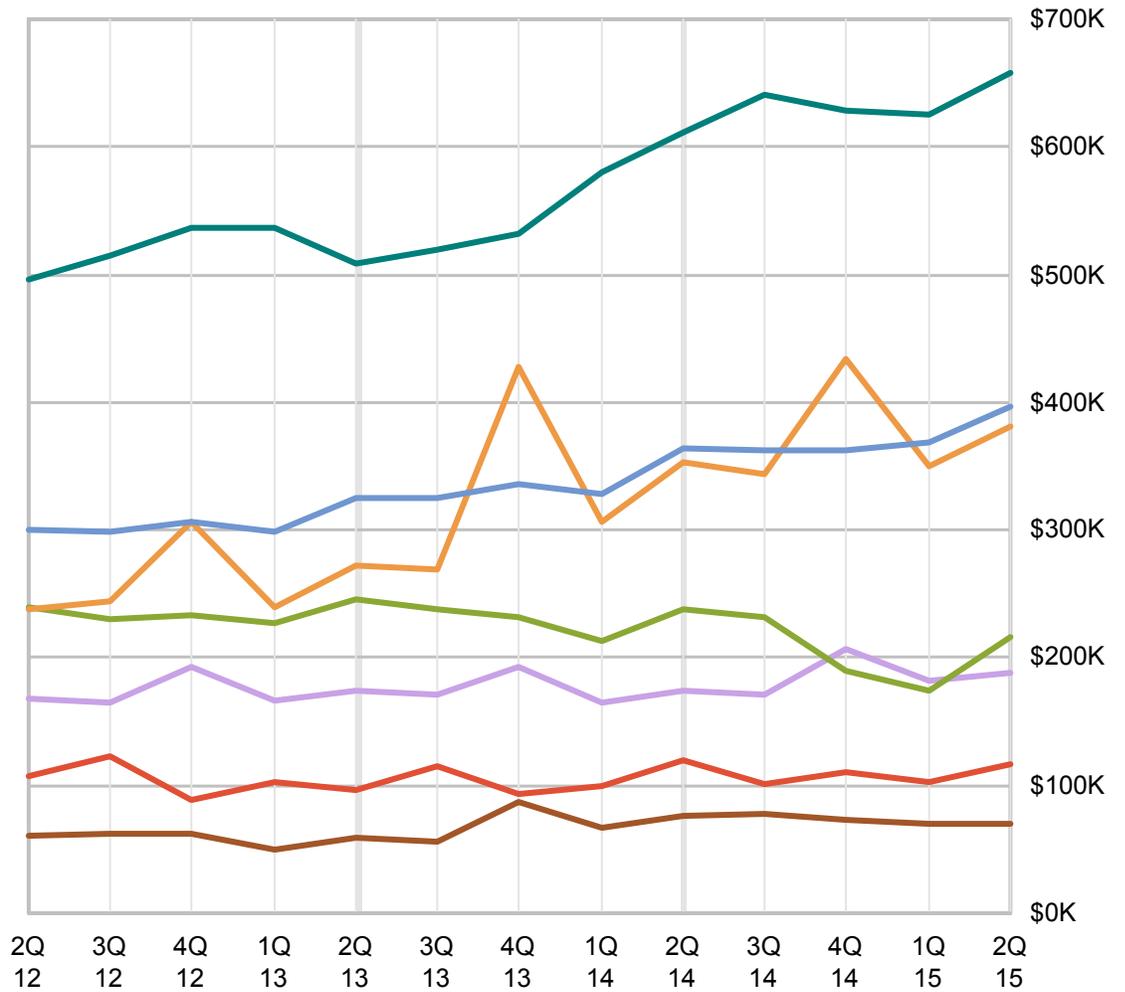
Count: 95

**Autos And Transportation**

Count: 123

**Building And Construction**

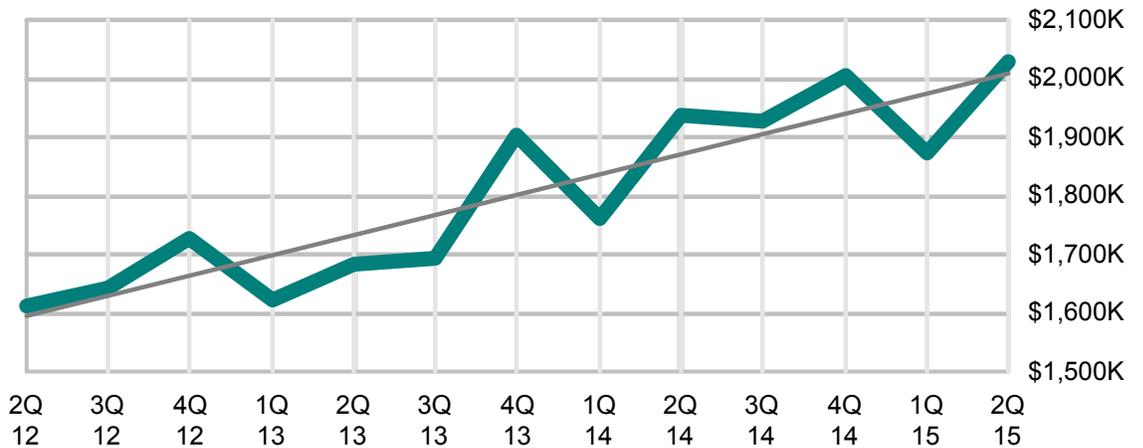
Count: 68



Agency Trend

**Alameda**

13 Quarter Trend: +25.9%



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

Geo Area Names

Sales Tax by Geographic areas

**Harbor Bay Business Park**

Count: 53

**South Shore Center**

Count: 84

**Alameda Landing**

Count: 23

**Park - South Of Lincoln**

Count: 325

**Clement Ave & Blanding Ave**

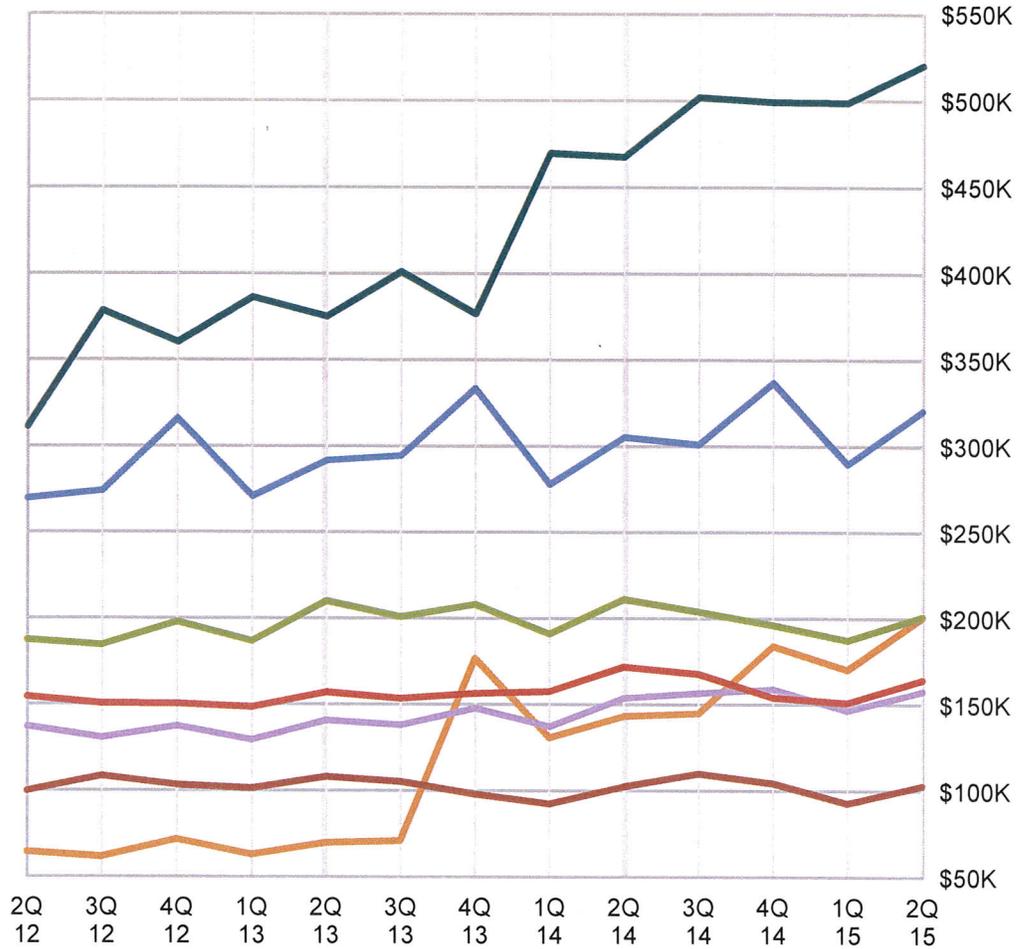
Count: 119

**Park - North Of Lincoln**

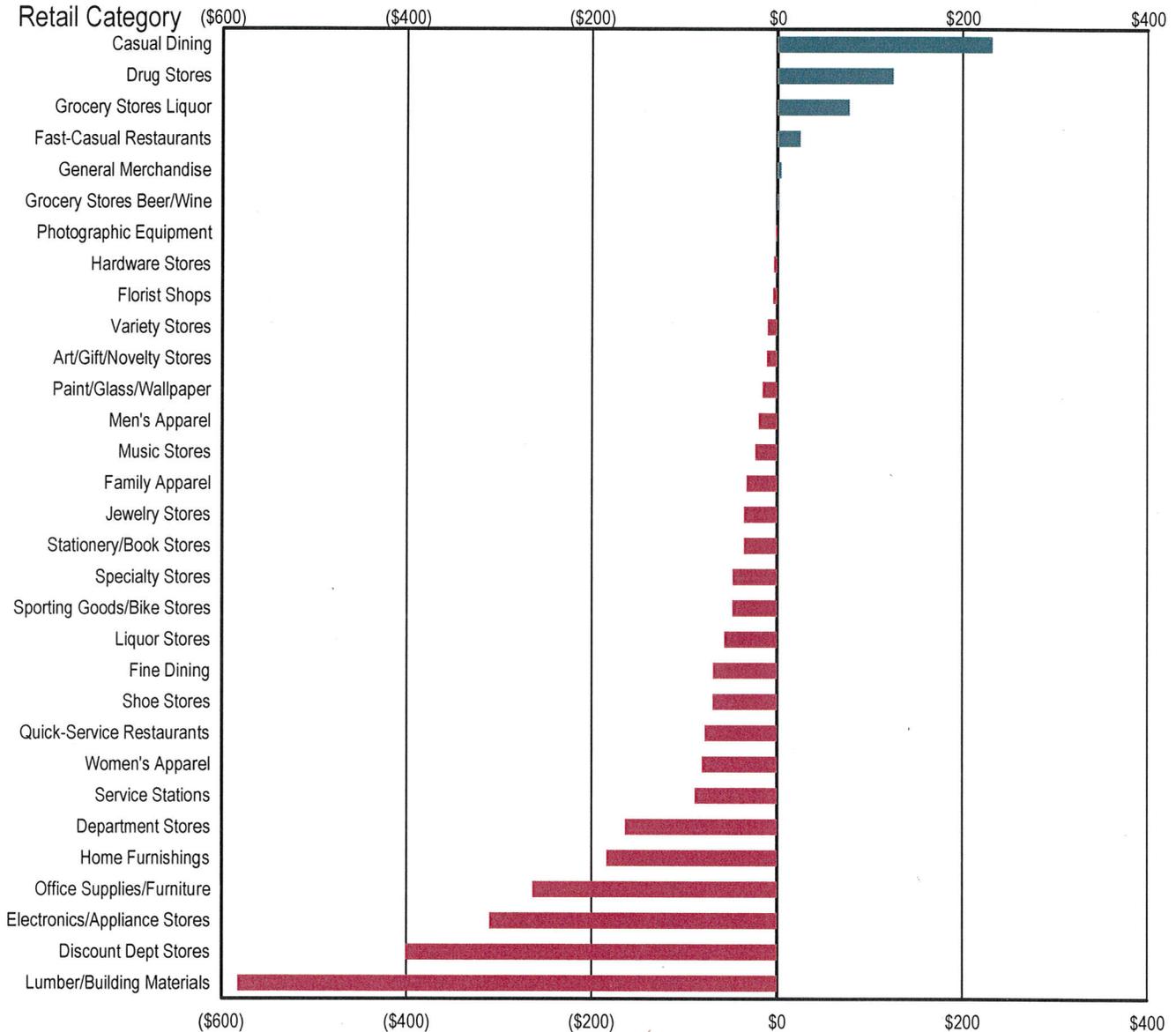
Count: 113

**Webster-north Of Lincoln**

Count: 40



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



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

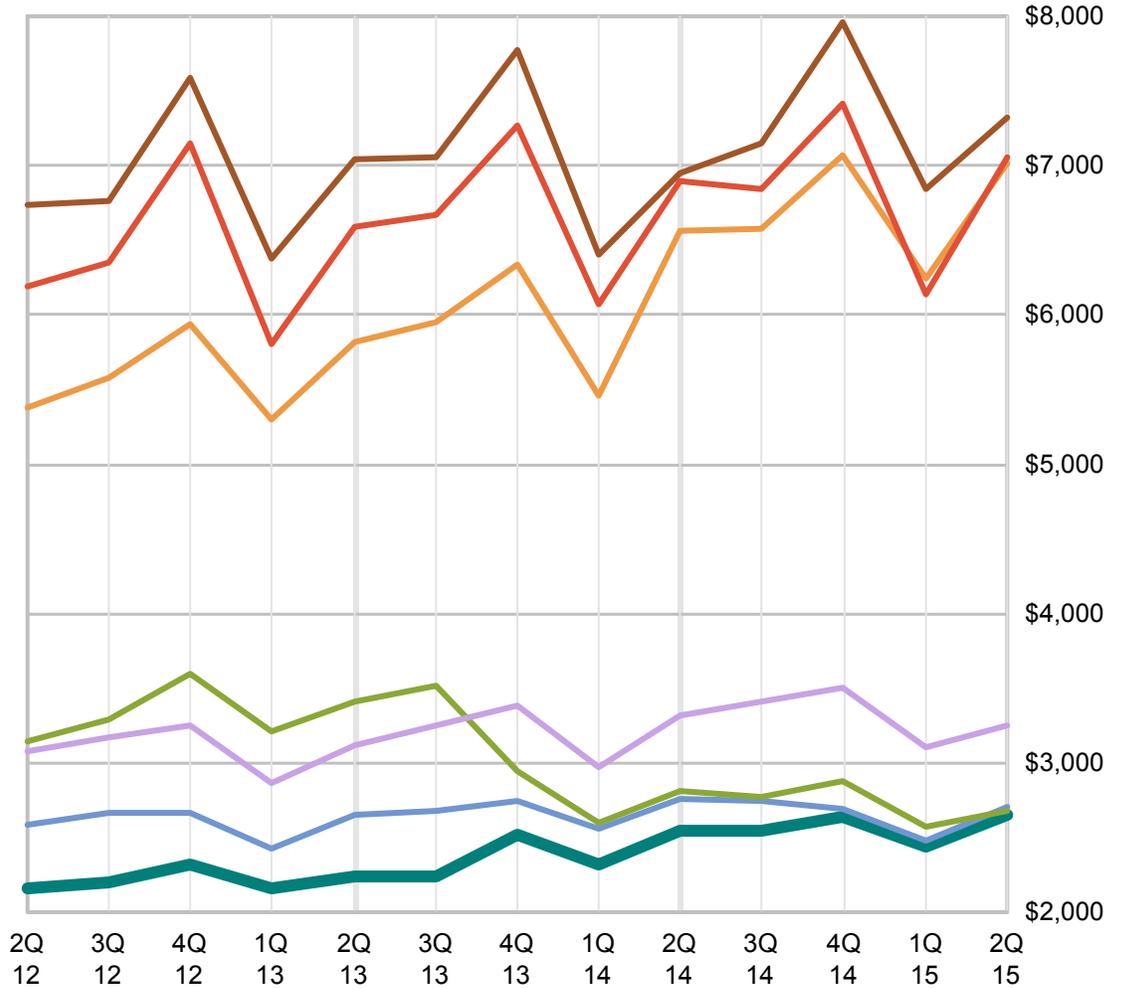
## SALES TAX TRENDS FOR ALL AGENCIES - 2Q 2015 SALES

Agency allocations reflect "point of sale" receipts

| Agency Name       | Count         | Current Year<br>2Q 2015 | Prior Year<br>2Q 2014 | Share of<br>County Pool | Actual Receipts<br>% Change | Adjusted*<br>% Change |
|-------------------|---------------|-------------------------|-----------------------|-------------------------|-----------------------------|-----------------------|
| Newark            | 1,372         | 2,425,452               | 2,372,145             | 3.7%                    | + 2.2%                      | + 14.7%               |
| San Leandro       | 2,623         | 6,368,339               | 5,783,770             | 9.8%                    | + 10.1%                     | + 7.9%                |
| Fremont           | 5,486         | 9,565,645               | 8,943,733             | 14.8%                   | + 7.0%                      | + 7.2%                |
| Alameda Co. Uninc | 2,538         | 2,499,592               | 2,169,757             | 3.9%                    | + 15.2%                     | + 6.5%                |
| Livermore         | 2,811         | 5,983,502               | 5,720,173             | 9.2%                    | + 4.6%                      | + 6.3%                |
| Pleasanton        | 3,640         | 5,269,280               | 4,939,614             | 8.1%                    | + 6.7%                      | + 4.7%                |
| Alameda           | 3,161         | 1,905,176               | 1,971,239             | 2.9%                    | - 3.4%                      | + 4.6%                |
| Emeryville        | 905           | 1,894,872               | 1,849,490             | 2.9%                    | + 2.5%                      | + 4.4%                |
| Hayward           | 4,342         | 7,215,316               | 6,905,834             | 11.2%                   | + 4.5%                      | + 4.0%                |
| Albany            | 559           | 537,015                 | 532,704               | 0.8%                    | + 0.8%                      | + 1.9%                |
| Berkeley          | 4,842         | 4,024,791               | 3,907,644             | 6.2%                    | + 3.0%                      | - 0.7%                |
| Dublin            | 1,396         | 4,103,313               | 4,085,709             | 6.3%                    | + 0.4%                      | - 0.8%                |
| Oakland           | 13,137        | 11,275,819              | 11,628,844            | 17.4%                   | - 3.0%                      | - 1.0%                |
| Union City        | 1,295         | 1,589,977               | 2,132,430             | 2.5%                    | - 25.4%                     | - 4.2%                |
| Piedmont          | 229           | 45,707                  | 52,381                | 0.1%                    | - 12.7%                     | - 5.9%                |
| <b>Totals</b>     | <b>48,336</b> | <b>64,703,797</b>       | <b>62,995,466</b>     | <b>100.0%</b>           | <b>+ 2.7%</b>               | <b>+ 3.8%</b>         |
| Alameda Pool      | 13,057        | 10,623,987              | 9,477,326             |                         | + 12.1%                     | + 13.5%               |

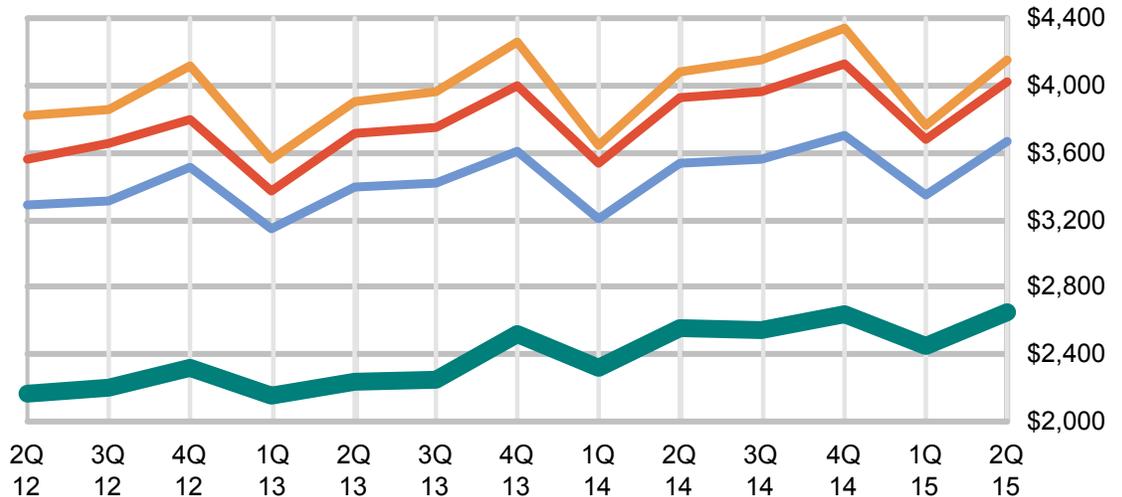
**Per Capita Sales**

- Alameda**  
Count: 3,161
- Oakland**  
Count: 13,137
- San Leandro**  
Count: 2,623
- El Cerrito**  
Count: 660
- Berkeley**  
Count: 4,842
- Pleasanton**  
Count: 3,640
- Walnut Creek**  
Count: 2,855



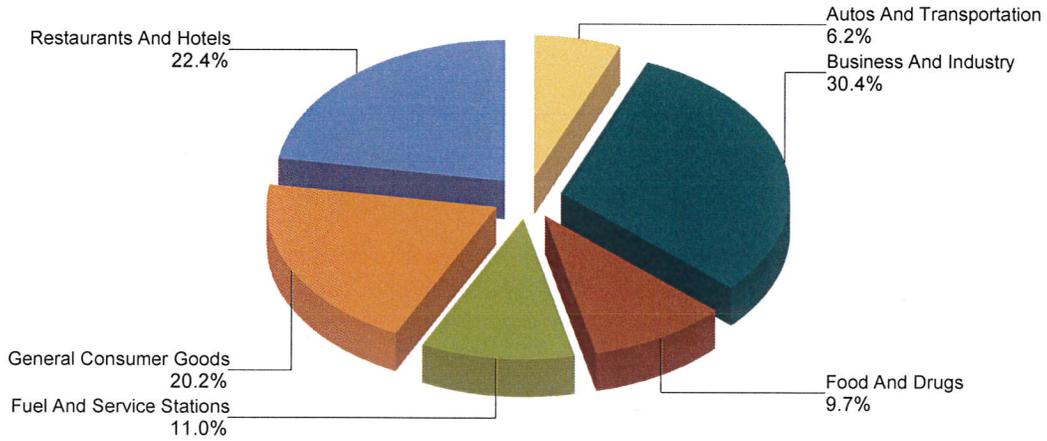
**Per Capita Sales**

- Alameda**
- Alameda County**
- Bay Area**
- California**

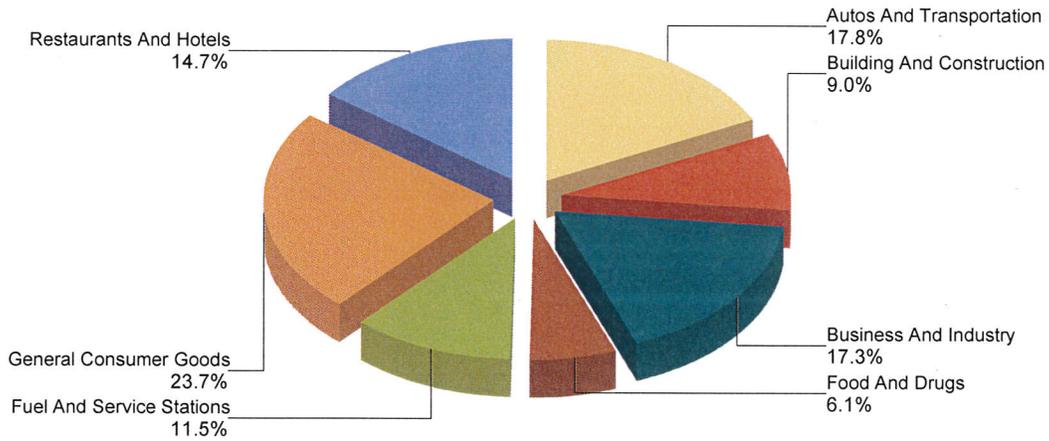


Periods shown reflect the period in which the sales occurred - Point of Sale

**City of Alameda**



**HdL Client Database Statewide Totals**



# Q2 2015



# City of Alameda Sales Tax *Update*

*Third Quarter Receipts for Second Quarter Sales (April - June 2015)*

## Alameda In Brief

Alameda's receipts from April through June were 2.2% below the second sales period in 2014. Excluding reporting aberrations, actual sales were up 5.0%.

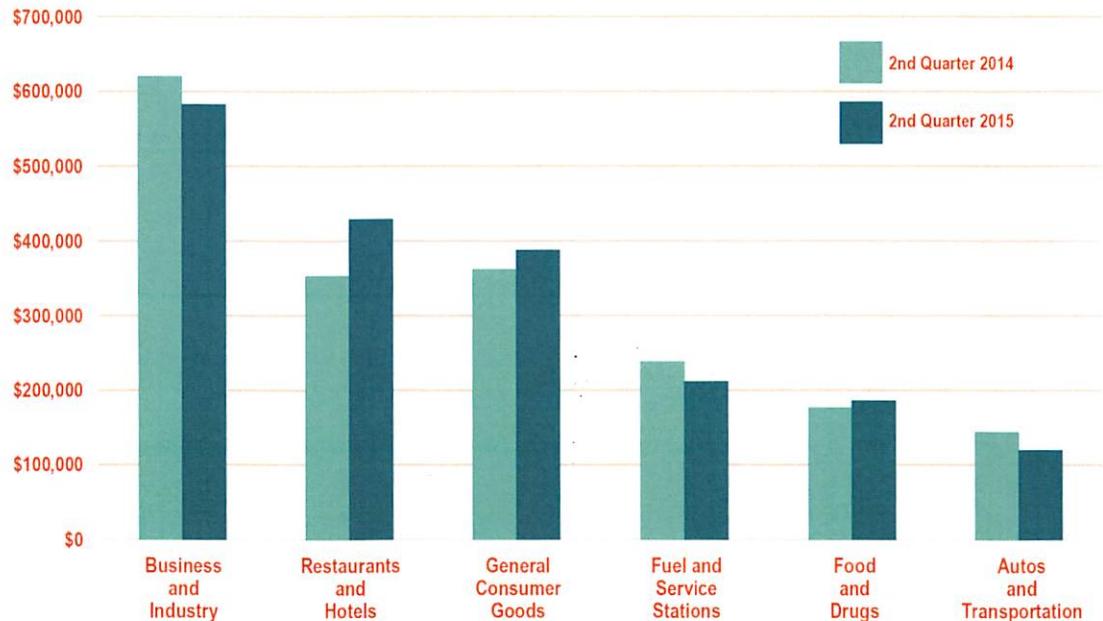
The disparity between cash receipts and local economic activity was mainly due to three factors: a retroactive takeaway of building and construction revenue determined to belong to another jurisdiction; a retroactive payment recovery that caused the decline in the autos and transportation category by boosting year-ago boat & motorcycle proceeds; and a state-granted tax refund that cut medical/biotech totals, thereby skewing the business and industry comparison.

Lower prices at the pump cut fuel and service station results.

New business additions continued to enhance general consumer goods, restaurant and hotel and food and drug receipts.

Net of aberrations, taxable sale for all of Alameda County grew 5.1% over the comparable time periods; the Bay Area was up 3.9%.

## SALES TAX BY MAJOR BUSINESS GROUP



## TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

|                                 |                                      |
|---------------------------------|--------------------------------------|
| ABB Concise                     | Penumbra                             |
| Alameda Electrical Distributors | Ross Dress for Less                  |
| Alameda Sushi House             | Safeway                              |
| Bed Bath & Beyond               | Safeway Fuel                         |
| Chevron                         | Sail California                      |
| Chevron                         | Standard Process Northern California |
| CVS Pharmacy                    | Svendsens Boat Works                 |
| Delphi Productions              | Target                               |
| Kohls                           | TJ Maxx                              |
| La Penca Azul                   | Trader Joes                          |
| Nob Hill Fuel                   | Walgreens                            |
| North Face                      | Webster 76                           |
| Old Navy                        |                                      |

## REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

|                          | 2013-14              | 2014-15              |
|--------------------------|----------------------|----------------------|
| Point-of-Sale            | \$7,434,434          | \$7,926,727          |
| County Pool              | 1,198,115            | 1,160,113            |
| State Pool               | 5,413                | 5,414                |
| <b>Gross Receipts</b>    | <b>\$8,637,963</b>   | <b>\$9,092,255</b>   |
| <b>Cty/Cnty Share</b>    | <b>(431,898)</b>     | <b>(454,613)</b>     |
| <b>Net Receipts</b>      | <b>\$8,206,065</b>   | <b>\$8,637,642</b>   |
| <b>Less Triple Flip*</b> | <b>\$(2,051,516)</b> | <b>\$(2,159,410)</b> |

\*Reimbursed from county compensation fund

**Statewide Sales Tax Trends**

Excluding accounting aberrations, the local one cent share of statewide sales occurring April through June was 3.4% higher than the comparable quarter of 2014.

Receipts from the countywide use tax allocation pools accounted for the largest portion of the increase reflecting a continuing shift in consumer preferences from brick and mortar stores to online shopping for merchandise shipped from out of state.

Sales and leases of new cars continued to post impressive gains as did contractor supplies and restaurants. Overall gains were offset by a 17.1% decline in receipts from service stations and petroleum related industries.

**The Remaining Fiscal Year**

The state's unemployment rate continues to decline and real disposable income is expected to grow 2.5% to 3.0% in the second half of 2015. This improvement in incomes coupled with easy credit conditions should stimulate an increase in housing starts as well as capital investment in equipment, alternate energy and technology.

The auto industry is anticipating continuing strong sales until tapering to more sustainable levels in 2016-2017. Building and construction, the only retail segment yet to return to pre-recession levels, is gaining momentum in several regions and is expected to account for 10% of sales tax growth in the second half of the fiscal year.

Restaurant sales continue to rise although there are some concerns that the strong dollar may impact sales in areas that cater to tourists from abroad. Gains from consumer goods are expected to be modest with the strong dollar cutting prices of imported goods and an ongoing shift in consumer spending from tangible goods to services, entertainment and other non-taxable purchases.

Gasoline prices remain well below the previous year due to a worldwide glut

of oil. Barring unexpected supply or refinery disruptions, prices are expected to trend lower through the first half of 2015-16 but begin rebounding in the second half.

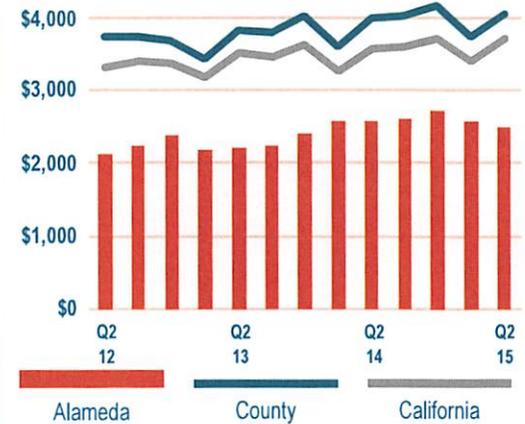
**Internet Sales Tax Proposal**

HR 2775 (The Remote Transaction Parity Act) is a new proposal by Representative Jason Chaffetz (R-Utah) authorizing states to require remote sellers without physical presence in their state to collect state and local sales tax from in-state buyers.

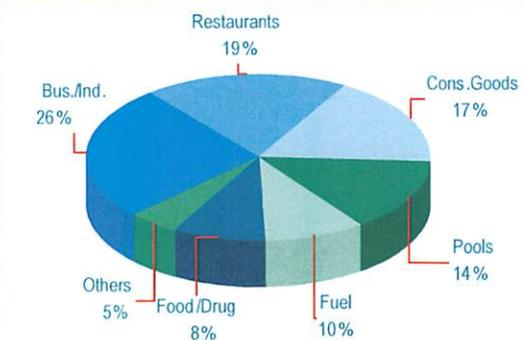
The bill currently has 52 sponsors and attempts to address objections to elements of the Marketplace Fairness Act that preceded it. The proposal provides for a three year phase in for small businesses, prohibits auditing remote sellers with annual sales under \$5 million, and requires states to provide software to enable remote sellers to collect and remit their tax.

The Board of Equalization estimates that local governments in California currently lose approximately \$44 per capita in uncollected sales and use tax on e-commerce purchases.

**SALES PER CAPITA**



**REVENUE BY BUSINESS GROUP**  
Alameda This Quarter



**ALAMEDA TOP 15 BUSINESS TYPES**

| Business Type                             | <i>*In thousands of dollars</i> |                   |                  |                     |
|---|---------------------------------|-------------------|------------------|---------------------|
|   | Alameda<br>Q2 '15*              | Alameda<br>Change | County<br>Change | HdL State<br>Change |
| Boats/Motorcycles                         | 53.3                            | -37.8%            | -13.1%           | 6.2%                |
| Business Services                         | 47.1                            | -24.5%            | -6.4%            | 5.9%                |
| Casual Dining                             | 217.5                           | 21.9%             | 6.3%             | 6.0%                |
| Discount Dept Stores                      | — CONFIDENTIAL —                | —                 | -1.1%            | -0.1%               |
| Drug Stores                               | — CONFIDENTIAL —                | —                 | -5.8%            | -8.0%               |
| Family Apparel                            | 78.0                            | 3.4%              | 1.0%             | 2.8%                |
| Fast-Casual Restaurants                   | 31.9                            | 53.6%             | 13.5%            | 9.6%                |
| Fine Dining                               | 34.5                            | 27.0%             | 24.8%            | 12.2%               |
| Grocery Stores Liquor                     | 79.7                            | 9.8%              | 5.3%             | 3.6%                |
| Home Furnishings                          | 33.6                            | 31.2%             | 7.7%             | 7.5%                |
| Medical/Biotech                           | — CONFIDENTIAL —                | —                 | -6.2%            | -4.4%               |
| Plumbing/Electrical Supplies              | — CONFIDENTIAL —                | —                 | -0.5%            | 5.9%                |
| Quick-Service Restaurants                 | 127.7                           | 13.3%             | 10.8%            | 9.2%                |
| Service Stations                          | 210.7                           | -11.4%            | -6.7%            | -11.7%              |
| Specialty Stores                          | 55.8                            | -13.3%            | 2.3%             | 5.6%                |
| <b>Total All Accounts</b>                 | <b>1,905.2</b>                  | <b>-3.4%</b>      | <b>2.7%</b>      | <b>2.8%</b>         |
| <b>County &amp; State Pool Allocation</b> | <b>314.5</b>                    | <b>5.5%</b>       | <b>12.1%</b>     | <b>11.8%</b>        |
| <b>Gross Receipts</b>                     | <b>2,219.6</b>                  | <b>-2.2%</b>      | <b>3.9%</b>      | <b>3.8%</b>         |
| City/County Share                         | (111.0)                         | 2.2%              |                  |                     |
| <b>Net Receipts</b>                       | <b>2,108.7</b>                  | <b>-2.2%</b>      |                  |                     |