



Quarterly Sales Tax Report
for the Period Ending
March 31, 2016

Q4 2015



City of Alameda Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (October - December 2015)

Alameda In Brief

Alameda's receipts from October through December were 4.3% above the fourth sales period in 2014.

Returns from recently added outlets boosted the general consumer goods, food and drugs, and restaurants groups and were a major factor in the overall gain in receipts. Solid gains from existing family apparel stores and quick service, casual dining, and fine dining restaurants also contributed to the increase.

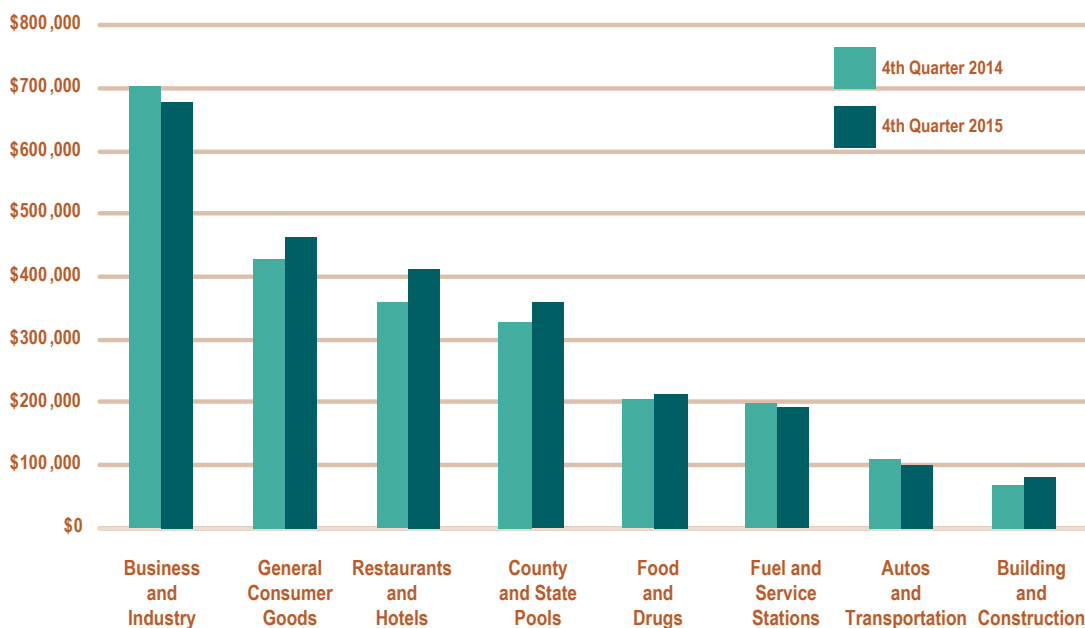
Multiple onetime payments from contractors lifted building and construction, while the city's allocation from the countywide use tax pool increased 8.5% during the quarter.

A large onetime payment that inflated the prior year's returns, depressed business and industry results on a comparative basis. Absent this aberration, the group posted a solid overall sales quarter.

Lower yacht sales caused the drop in the automotive and transportation sector. Continued lower retail gasoline prices were largely offset by the addition of a new service station.

Net of aberrations, taxable sales for all of Alameda County grew 5.6% over the comparable time period; the Bay Area was up 3.6%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

ABB Concise	Old Navy
Alameda Electrical Distributors	Penumbra
Alameda Sushi House	Rock Wall Wine
Bed Bath & Beyond	Ross
Chevron	Safeway
Chevron	Safeway Fuel
CVS	Standard Process
Data 911	Northern California
Delphi Productions	Target
In N Out	TJ Maxx
Kohls	Trader Joes
Nob Hill Fuel	Walgreens
North Face	Webster 76

REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2014-15	2015-16
Point-of-Sale	\$4,043,806	\$4,633,171
County Pool	635,013	729,183
State Pool	3,723	5,445
Gross Receipts	\$4,682,542	\$5,367,798
Cty/Cnty Share	(234,127)	(268,390)
Net Receipts	\$4,448,415	\$5,099,408
Less Triple Flip*	\$(1,112,104)	\$(1,274,852)

*Reimbursed from county compensation fund

California Overall

Excluding accounting aberrations, local sales and use tax receipts from the fourth quarter of 2015 ended 2.6% above 2014's holiday quarter.

Solid returns for autos, RVs, building materials and most categories of restaurants were the primary contributors to the statewide increase. The growth in online shopping for merchandise shipped from out-of-state continued to raise countywide use tax allocation pool revenues.

The gains were largely offset by a 13.2% drop in tax receipts from service stations and other fuel-related expenditures. Except for value price clothing and shoes, most categories of general consumer goods were flat or down, reflecting heavy price discounting to reduce excess holiday inventories and the impact of the strong dollar on international tourist spending.

With some exceptions, particularly in the areas of computers and agricultural chemicals, overall receipts from business and industrial expenditures were also down primarily due to cutbacks in capital spending by energy producers and manufacturers of exported goods, equipment and raw materials.

Intense competition and price pressures resulted in only modest gains in receipts from grocers and pharmacists with the largest increase in this group coming from liquor stores and marijuana dispensaries.

HdL's most recent economic consensus forecast anticipates similar modest gains through 2016 with an eventual peak in auto sales replaced by strong sales of building and construction materials for home improvement and new housing. A recovery in tax receipts from fuel is not expected until the end of the year.

The Triple Flip Is Over!

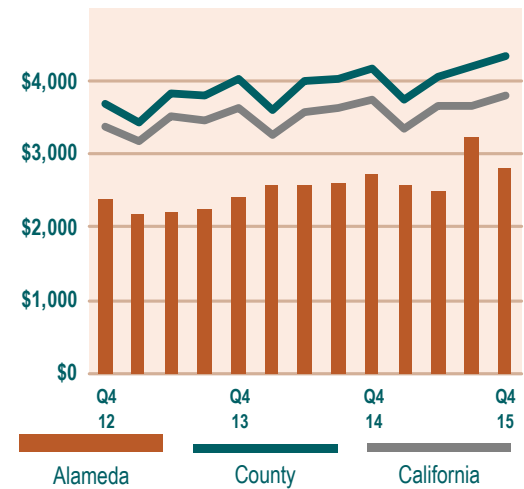
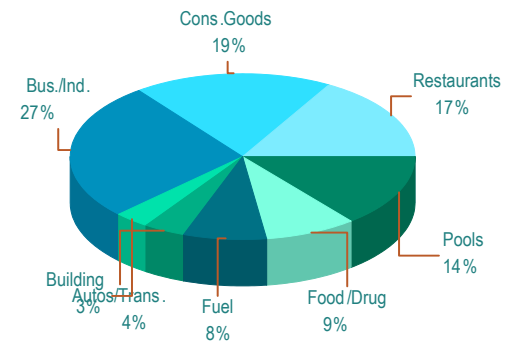
Beginning with taxes collected in January and forward, local governments will again receive their full share of Bradley-Burns sales and use tax reve-

nues thus ending an eleven-year program known as the Triple Flip.

The program began in 2004 when voters approved a \$15 billion bond issue to cover operating deficits resulting from a combination of that year's economic downturn plus failure to offset the loss of revenue from the Governor's popular reduction in the 65-year-old, 2% Motor Vehicle In-Lieu Tax.

The State retained 25% of local sales tax to guarantee the bonds, reimbursed local governments from monies meant for schools and replaced the money taken from schools with state general funds thus creating what became known as the Triple Flip. The financing scheme resulted in interest payments totaling \$4.8 billion, plus another \$200 million in administrative fees while creating new budget challenges for local governments.

It also resulted in voter passage of constitutional amendment Proposition 1A that bars state tampering with local sales and use tax revenues in the future.

SALES PER CAPITA**REVENUE BY BUSINESS GROUP****Alameda This Quarter****ALAMEDA TOP 15 BUSINESS TYPES**

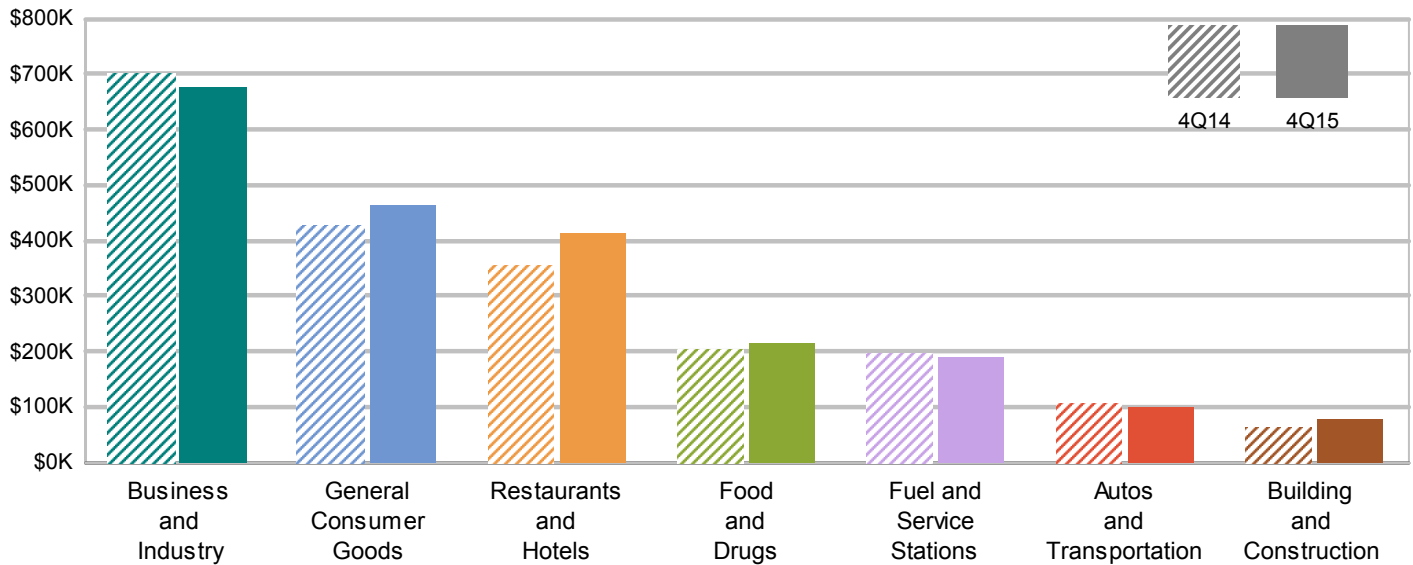
**In thousands of dollars*

Business Type	Alameda Q4 '15*	Alameda Change	County Change	HdL State Change
Boats/Motorcycles	36.8	-26.8%	-8.0%	8.3%
Casual Dining	188.0	7.4%	8.7%	5.8%
Department Stores	—	CONFIDENTIAL	-1.3%	-0.5%
Discount Dept Stores	—	CONFIDENTIAL	0.9%	3.0%
Drug Stores	—	CONFIDENTIAL	0.4%	0.8%
Family Apparel	97.5	7.6%	9.7%	4.1%
Fine Dining	36.4	15.6%	15.7%	8.1%
Fulfillment Centers	—	CONFIDENTIAL	26.6%	-5.0%
Grocery Stores Liquor	—	CONFIDENTIAL	0.5%	0.6%
Light Industrial/Printers	35.0	33.8%	14.6%	5.4%
Medical/Biotech	—	CONFIDENTIAL	11.5%	-4.4%
Plumbing/Electrical Supplies	—	CONFIDENTIAL	9.7%	9.6%
Quick-Service Restaurants	143.9	26.7%	10.2%	8.0%
Service Stations	191.0	-3.0%	-11.1%	-10.5%
Specialty Stores	69.4	0.1%	8.3%	4.4%

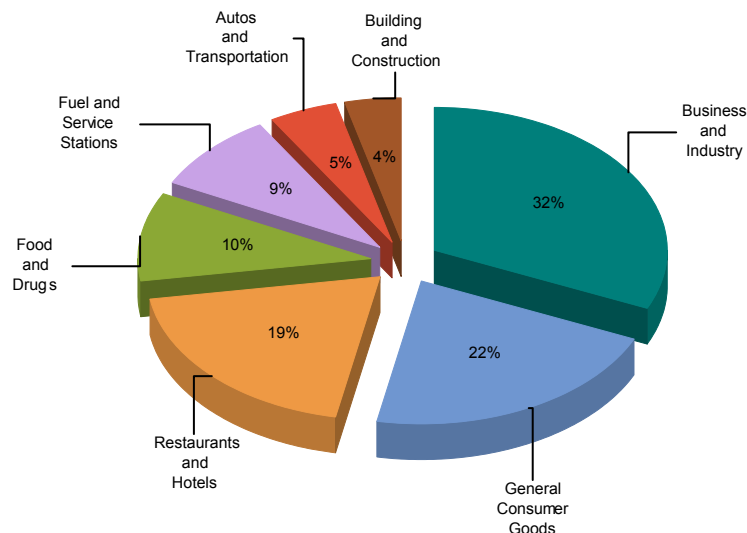
Total All Accounts	2,144.7	3.5%	5.3%	2.4%
County & State Pool Allocation	358.0	9.2%	11.1%	10.8%
Gross Receipts	2,502.6	4.3%	6.1%	3.5%
City/County Share	(125.1)	-4.3%		
Net Receipts	2,377.5	4.3%		

Major Industry Group	Count	4Q15	4Q14	\$ Change	% Change
Business and Industry	689	677,153	703,571	(26,418)	-3.8%
General Consumer Goods	1,882	463,659	429,777	33,882	7.9%
Restaurants and Hotels	325	414,151	357,534	56,617	15.8%
Food and Drugs	91	215,544	205,061	10,483	5.1%
Fuel and Service Stations	20	191,130	197,609	(6,479)	-3.3%
Autos and Transportation	126	102,173	109,880	(7,707)	-7.0%
Building and Construction	75	80,851	68,160	12,691	18.6%
Transfers & Unidentified	1	3	0	3	-N/A-
Total	3,209	2,144,664	2,071,592	73,072	3.5%

4Q14 Compared To 4Q15



4Q15 Percent of Total



CITY OF ALAMEDA

MAJOR INDUSTRY GROUPS - 13 QUARTER HISTORY

Sales Tax by Major Industry Group

Business And Industry

Count: 689

General Consumer Goods

Count: 1,882

Restaurants And Hotels

Count: 325

State & County Pools

Food And Drugs

Count: 91

Fuel And Service Stations

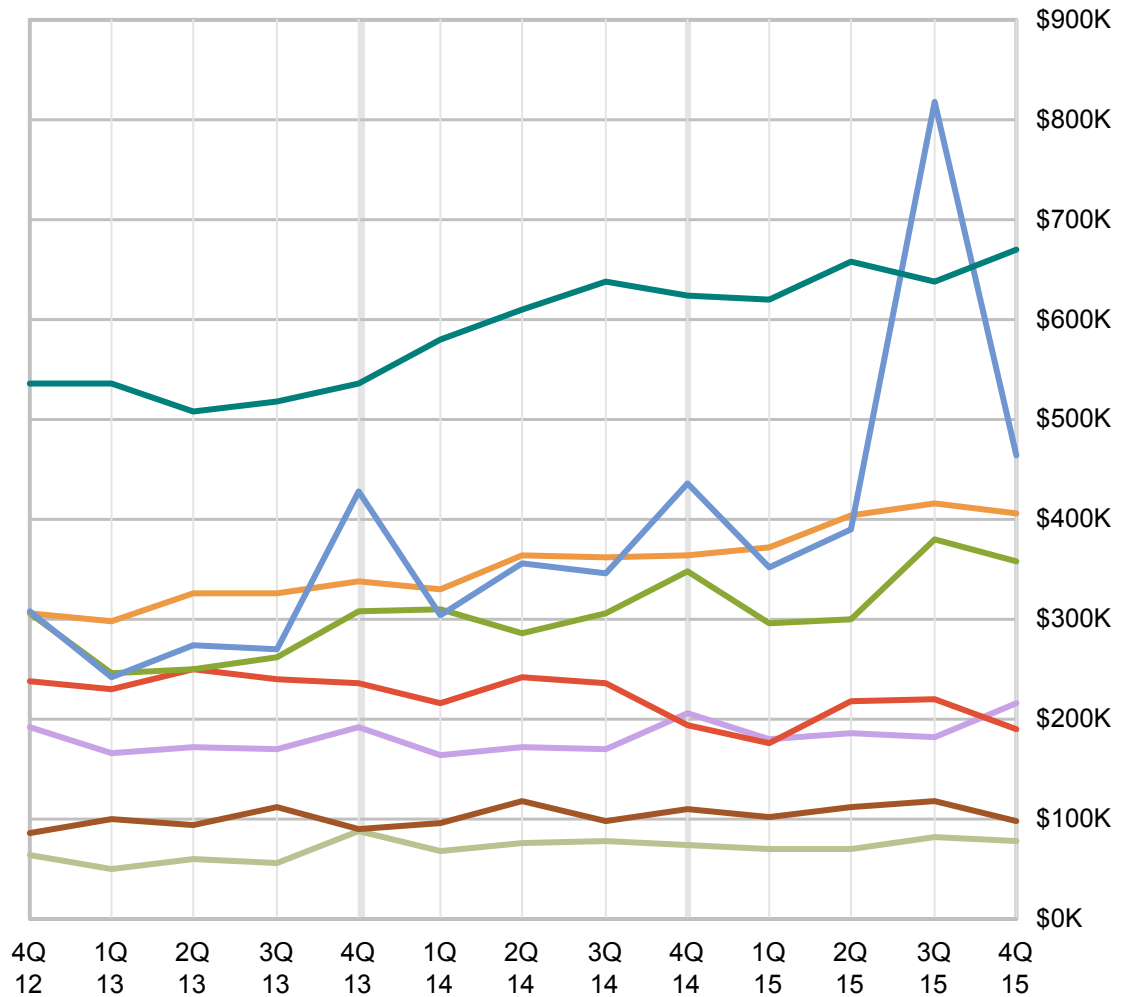
Count: 20

Autos And Transportation

Count: 126

Building And Construction

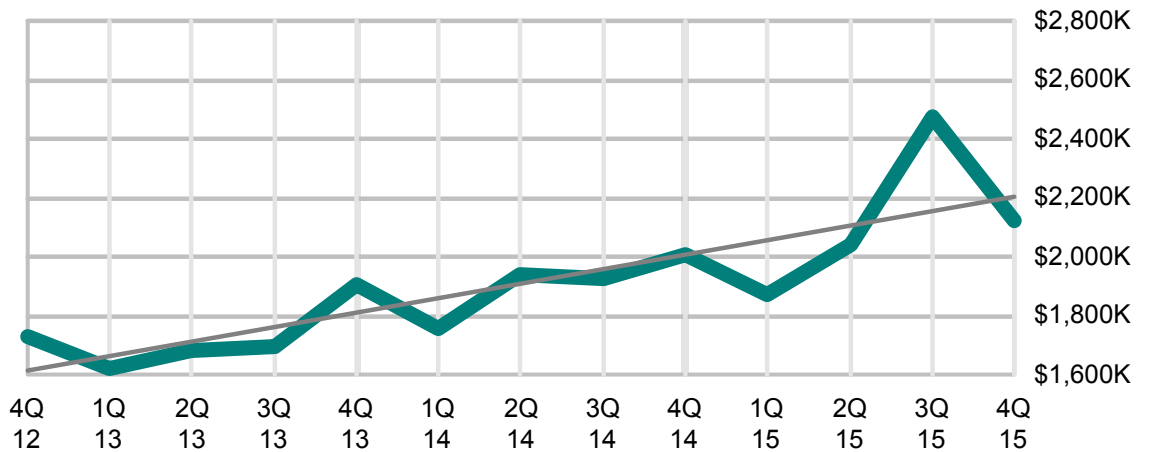
Count: 75



Agency Trend

Alameda

13 Quarter Trend: +36.6%



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

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CITY OF ALAMEDA

TOP GEOS - 13 QUARTER HISTORY

Geo Area Names

Sales Tax by Geographic areas

Harbor Bay Business Park

Count: 59

South Shore Center

Count: 87

Alameda Landing

Count: 28

Park - South Of Lincoln

Count: 342

Clement Ave & Blanding Ave

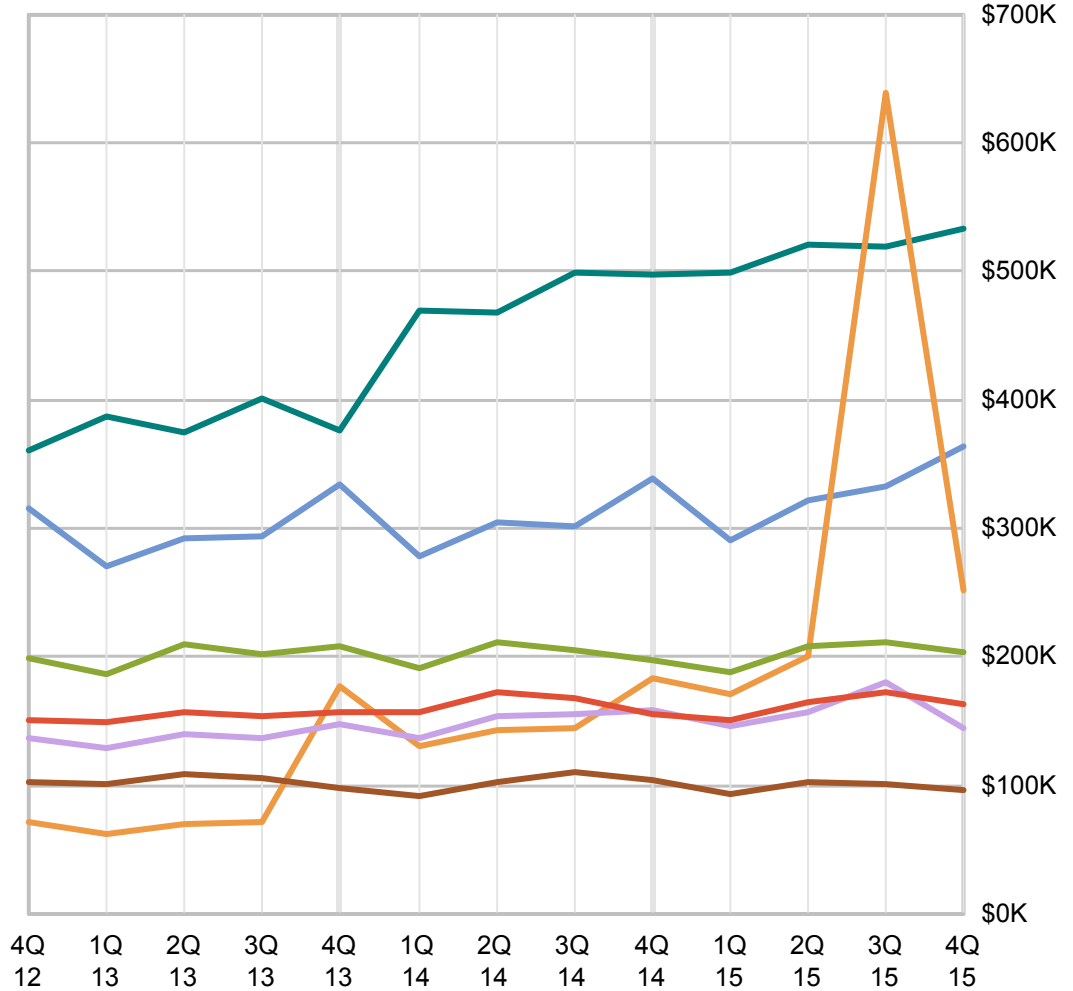
Count: 122

Park - North Of Lincoln

Count: 114

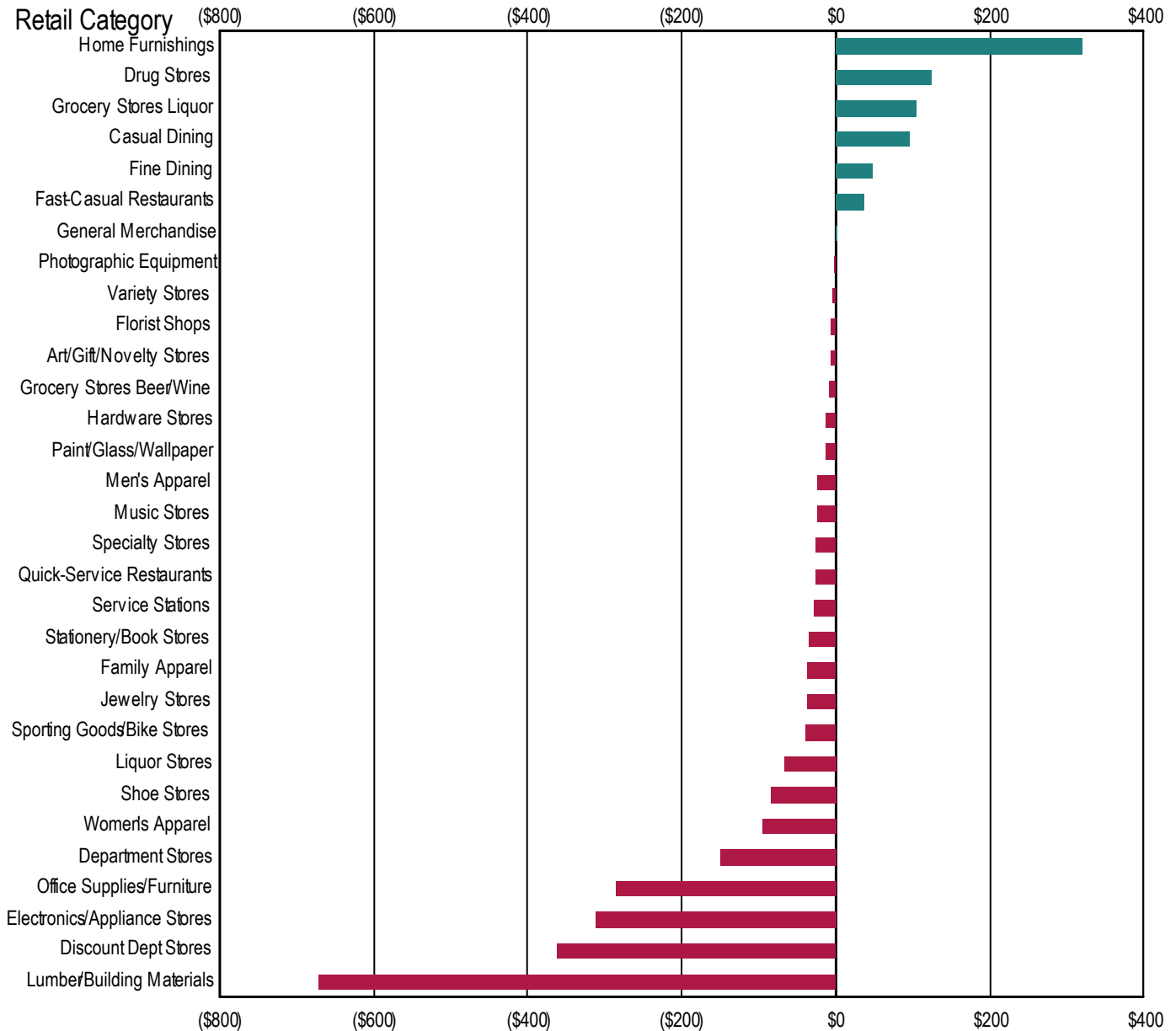
Webster-north Of Lincoln

Count: 41



* 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 - 4Q 2015 SALES

Agency allocations reflect "point of sale" receipts

Agency Name	Count	Current Year 4Q 2015	Prior Year 4Q 2014	Share of County Pool	Actual Receipts % Change	Adjusted* % Change
Fremont	5,609	10,405,250	9,692,795	15.0%	+ 7.4%	+ 11.5%
Livermore	2,850	6,674,470	6,031,622	9.6%	+ 10.7%	+ 11.3%
Newark	1,392	2,640,686	2,409,210	3.8%	+ 9.6%	+ 7.2%
Albany	579	570,657	551,606	0.8%	+ 3.5%	+ 7.1%
San Leandro	2,684	6,588,073	6,163,146	9.5%	+ 6.9%	+ 6.6%
Emeryville	917	2,105,784	1,992,368	3.0%	+ 5.7%	+ 6.6%
Alameda	3,209	2,144,664	2,071,592	3.1%	+ 3.5%	+ 5.7%
Berkeley	4,923	4,409,237	4,189,245	6.4%	+ 5.3%	+ 5.0%
Oakland	13,321	11,693,488	11,283,522	16.9%	+ 3.6%	+ 4.6%
Pleasanton	3,732	5,642,633	5,472,286	8.2%	+ 3.1%	+ 4.0%
Dublin	1,418	4,548,372	4,328,255	6.6%	+ 5.1%	+ 4.0%
Alameda Co. Uninc	2,569	2,092,090	2,002,015	3.0%	+ 4.5%	+ 2.7%
Hayward	4,418	7,476,930	7,298,449	10.8%	+ 2.4%	+ 0.4%
Union City	1,315	2,152,968	2,192,063	3.1%	- 1.8%	- 0.5%
Piedmont	223	48,801	55,693	0.1%	- 12.4%	- 15.3%
Totals	49,159	69,194,103	65,733,866	100.0%	+ 5.3%	+ 5.8%
Alameda Pool	15,217	11,389,447	10,324,311		+ 10.3%	+ 4.5%

CITY OF ALAMEDA

AGENCY COMPARISONS

Per Capita Sales

Alameda

Count: 3,209

Oakland

Count: 13,321

San Leandro

Count: 2,684

El Cerrito

Count: 677

Berkeley

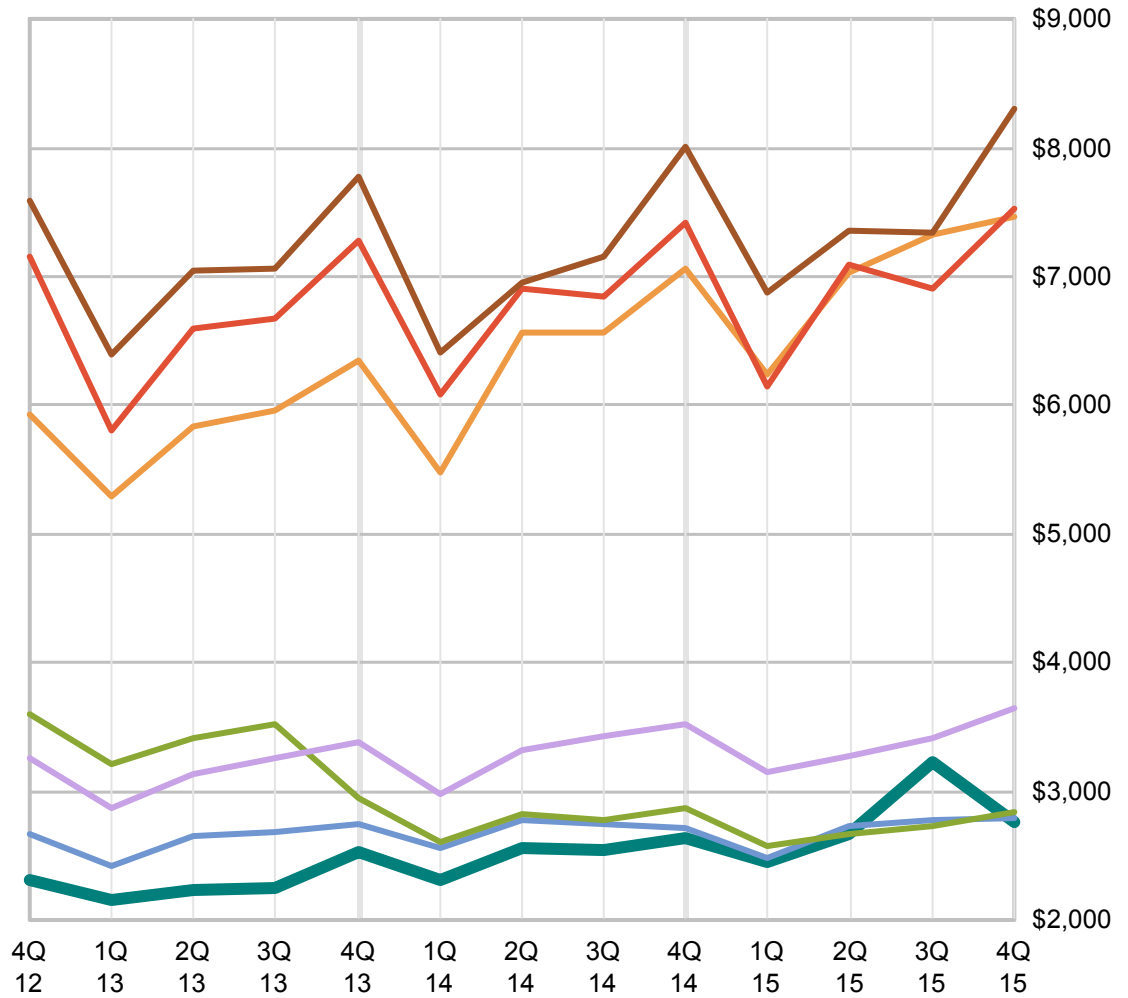
Count: 4,923

Pleasanton

Count: 3,732

Walnut Creek

Count: 2,881



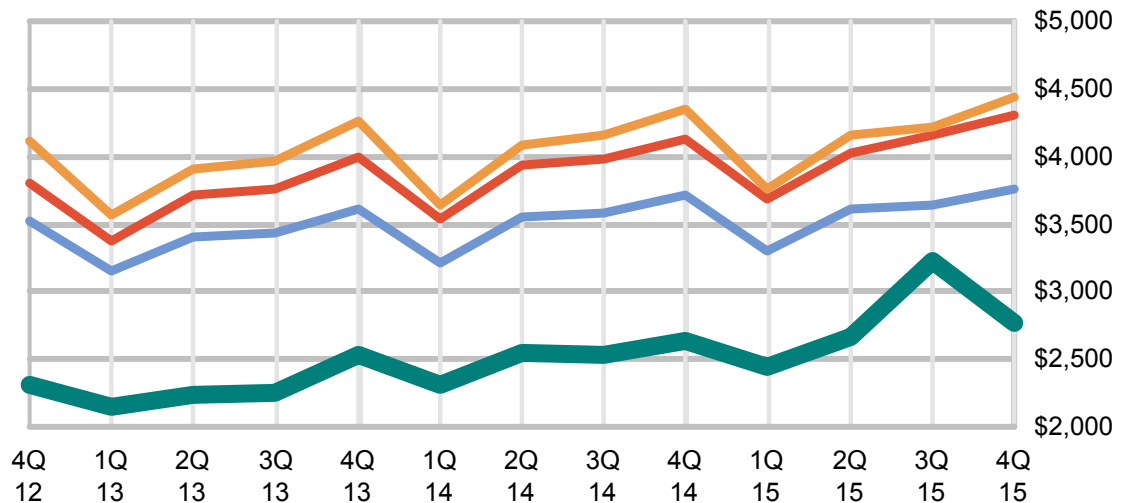
Per Capita Sales

Alameda

Alameda County

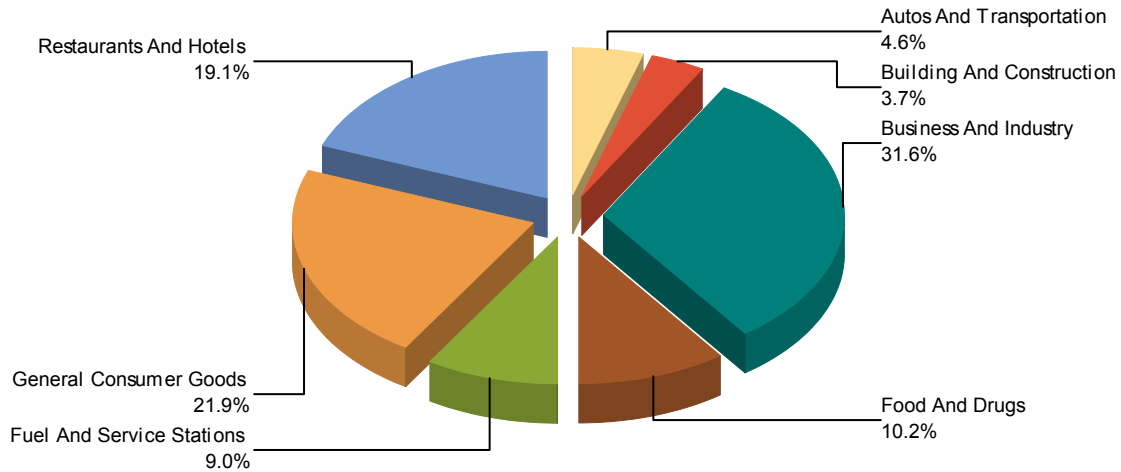
Bay Area

California



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City of Alameda



HdL Client Database Statewide Totals

