



Quarterly Sales Tax Report
for the Period Ending
June 30, 2016

Q1 2016



City of Alameda Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2016)

Alameda In Brief

Alameda's receipts from January through March were 13.9% below 2015's first sales quarter.

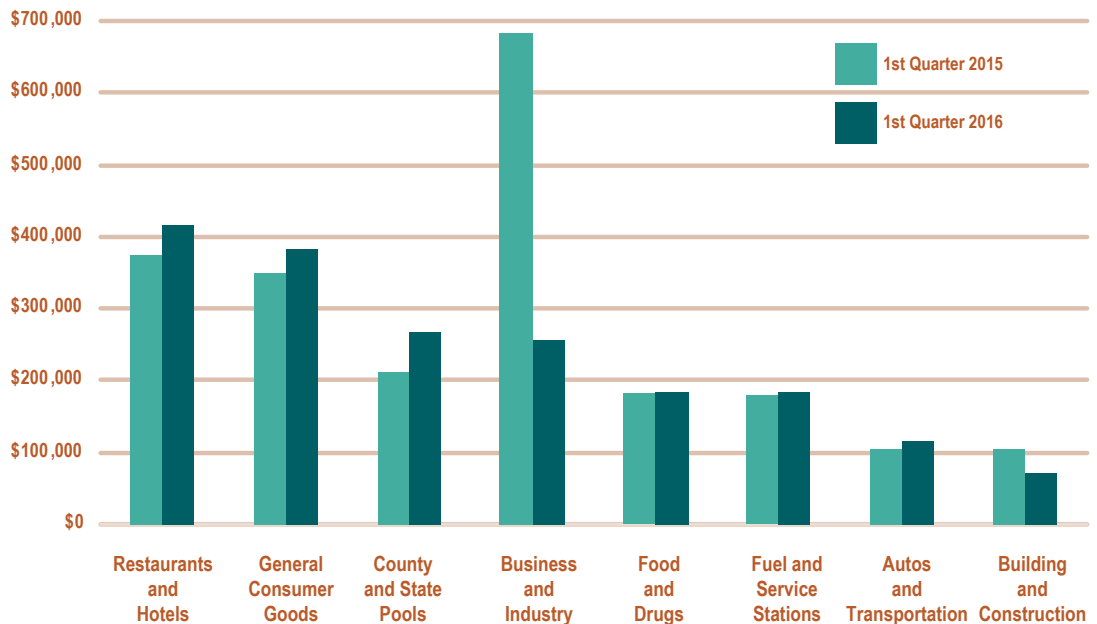
Onetime reporting aberrations caused or exaggerated declines in multiple business and industry segments. Similar aberrations affected building and construction results. All other major industry groups reported increases though net of accounting adjustments, actual sales in the fuel and service stations group dipped.

New business additions helped to lift restaurant and hotel and general consumer goods results as gains for both easily outpaced county and region trends. A large negative adjustment that cut use tax amounts in the countywide use tax pool a year ago inflated use tax pool comparison.

Autos and transportation and food and drug segments reported solid sales increases.

Net of aberrations, taxable sales for all of Alameda County grew 3.6% over the comparable time period; the Bay Area was up 3.3%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Alameda Electrical Distributors	Penumbra
Alameda Sushi House	Petco
Bed Bath & Beyond	Ross
Chevron (2)	Safeway
CVS	Safeway Fuel
Delphi Productions	Standard Process
In N Out Burgers	Target
Kohls	TJ Maxx
La Penca Azul	Trader Joes
McDonalds	Walgreens
Nob Hill Fuel	Webster 76
North Face	
Officemax	

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2014-15	2015-16
Point-of-Sale	\$6,021,551	\$6,253,070
County Pool	847,295	996,528
State Pool	3,762	4,376
Gross Receipts	\$6,872,607	\$7,253,975
Cty/Cnty Share	(343,630)	(362,699)
Net Receipts	\$6,528,977	\$6,891,276
Less Triple Flip*	\$(1,632,244)	\$(1,274,852)

*Reimbursed from county compensation fund

California Overall

The local one-cent share of the statewide sales and use tax was 3.1% higher than the year-ago quarter after excluding payment aberrations.

Gains in the countywide use tax pools were the largest contributor to the increase due to the growing impact of online purchases from out-of-state sellers and the corresponding shift of tax revenues from brick and mortar retail stores to fulfillment centers that process orders online. Not surprisingly, areas with concentrations of young, affluent buyers saw the highest online sales growth and the weakest general consumer goods results.

Solid results from auto sales and leases, transportation rentals, contractor supplies and restaurants also contributed to the overall increase.

The 5.6% gain in the business-industry sector was bolstered by onetime receipts for equipment purchases related to alternative energy projects.

Most general consumer goods categories were flat or down, except for specialty stores, electronics-appliance stores and home furnishings, consistent with the trend of consumers buying more from online retailers.

Gains from most other segments were relatively modest, while lower prices at the pump caused an 11.4% decline in fuel tax revenues, extending the decline to a sixth consecutive quarter.

Robust Growth in Online Sales

National surveys reveal that consumers buy online to avoid crowds, save time and find better bargains. Online shopping also benefits buyers in rural areas with fewer shopping options.

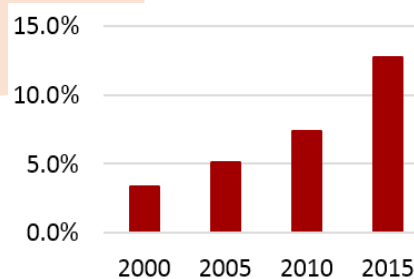
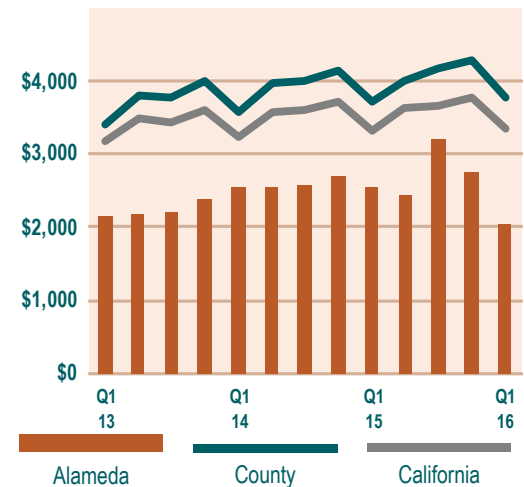
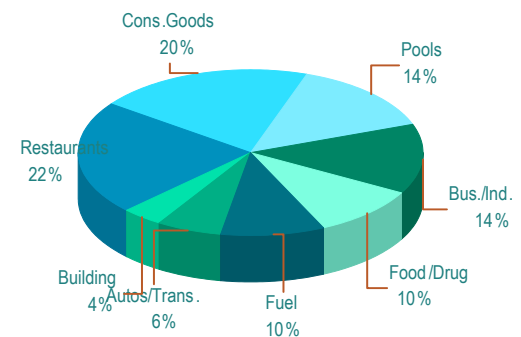
Total online spending comprised 12.8% of all general consumer goods purchases in 2015, up from 3.4% in 2000.

According to Forrester Research, Amazon accounted for 60% of total online sales growth in 2015.

Though the online share of overall sales

remains relatively modest, the year-over-year growth rate indicates a major shift in retailing is well underway. In response, more and more traditional brick and mortar retailers are opening online sales channels in recognition of this growing trend largely powered by younger buyers.

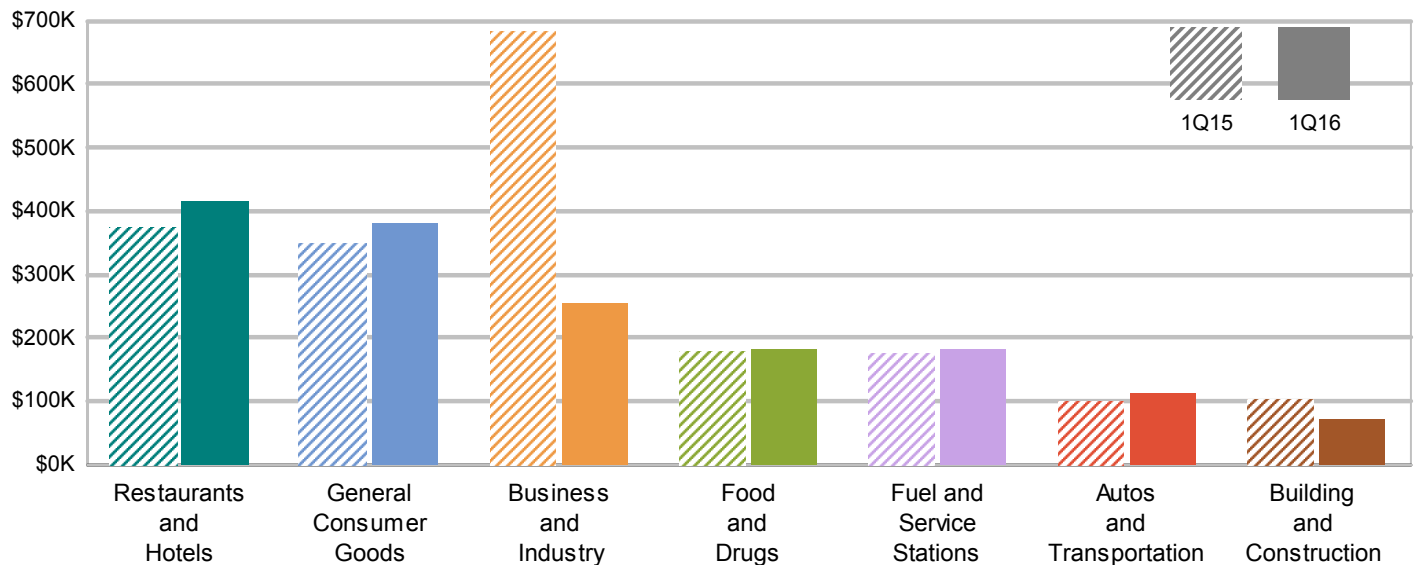
Department store chains have been particularly hard hit as Amazon has expanded its offerings to include apparel and fashion merchandise. Media reports indicate Macy's recently suffered its worse quarterly sales since the recession, while Nordstrom, J.C. Penney and Kohl's all reported lower sales. Each of these chains has established a solid web presence in a fight to retain market share.

**Online General Consumer Goods
YOY Percentage Growth****SALES PER CAPITA****REVENUE BY BUSINESS GROUP
Alameda This Quarter****ALAMEDA TOP 15 BUSINESS TYPES**

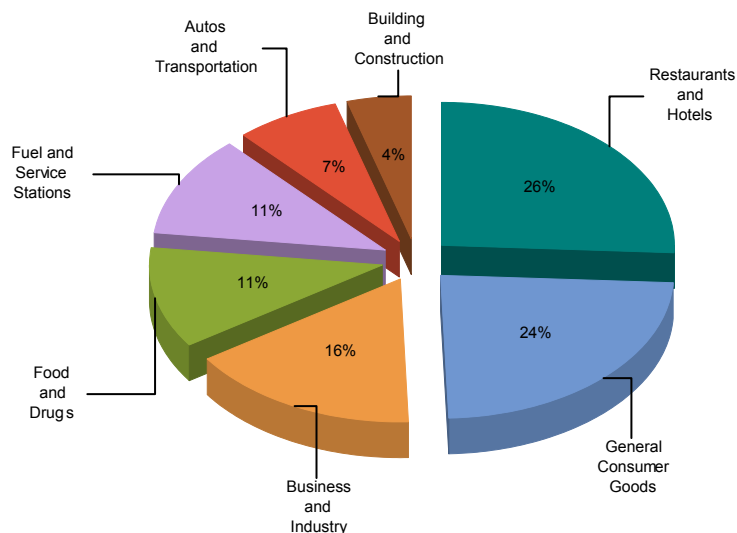
<i>*In thousands of dollars</i>				
Business Type	Alameda Q1 '16*	Change	County Change	HdL State Change
Boats/Motorcycles	48.2	11.7%	-16.0%	4.5%
Business Services	41.0	-10.4%	-8.4%	-7.2%
Casual Dining	206.5	8.5%	3.9%	5.7%
Discount Dept Stores	—	CONFIDENTIAL	-3.2%	-0.3%
Drug Stores	—	CONFIDENTIAL	0.1%	0.0%
Family Apparel	75.6	6.7%	3.9%	-0.7%
Fine Dining	30.0	-1.0%	8.1%	7.0%
Fulfillment Centers	—	CONFIDENTIAL	54.5%	33.7%
Grocery Stores Liquor	80.2	2.0%	2.9%	1.6%
Home Furnishings	41.4	54.8%	8.3%	3.0%
Medical/Biotech	—	CONFIDENTIAL	-26.8%	7.9%
Plumbing/Electrical Supplies	—	CONFIDENTIAL	-9.8%	-7.8%
Quick-Service Restaurants	140.6	24.9%	8.0%	6.4%
Service Stations	186.4	5.3%	-10.4%	-9.3%
Specialty Stores	56.0	2.3%	5.9%	3.5%
Total All Accounts	1,619.9	-18.1%	2.9%	1.8%
County & State Pool Allocation	266.3	25.4%	57.5%	14.1%
Gross Receipts	1,886.2	-13.9%	8.2%	3.2%
City/County Share	(94.3)	13.9%		
Net Receipts	1,791.9	-13.9%		

Major Industry Group	Count	1Q16	1Q15	\$ Change	% Change
Restaurants and Hotels	309	416,509	375,719	40,790	10.9%
General Consumer Goods	1,839	382,267	351,071	31,197	8.9%
Business and Industry	665	257,182	682,133	(424,951)	-62.3%
Food and Drugs	93	184,541	182,033	2,508	1.4%
Fuel and Service Stations	19	183,974	177,836	6,138	3.5%
Autos and Transportation	124	115,427	103,602	11,825	11.4%
Building and Construction	77	72,261	104,889	(32,628)	-31.1%
Transfers & Unidentified	5	7,738	461	7,277	-N/A-
Total	3,131	1,619,899	1,977,745	(357,846)	-18.1%

1Q15 Compared To 1Q16



1Q16 Percent of Total



CITY OF ALAMEDA

MAJOR INDUSTRY GROUPS - 13 QUARTER HISTORY

Sales Tax by Major Industry Group

Restaurants And Hotels

Count: 309

General Consumer Goods

Count: 1,839

Business And Industry

Count: 665

State & County Pools

Food And Drugs

Count: 93

Fuel And Service Stations

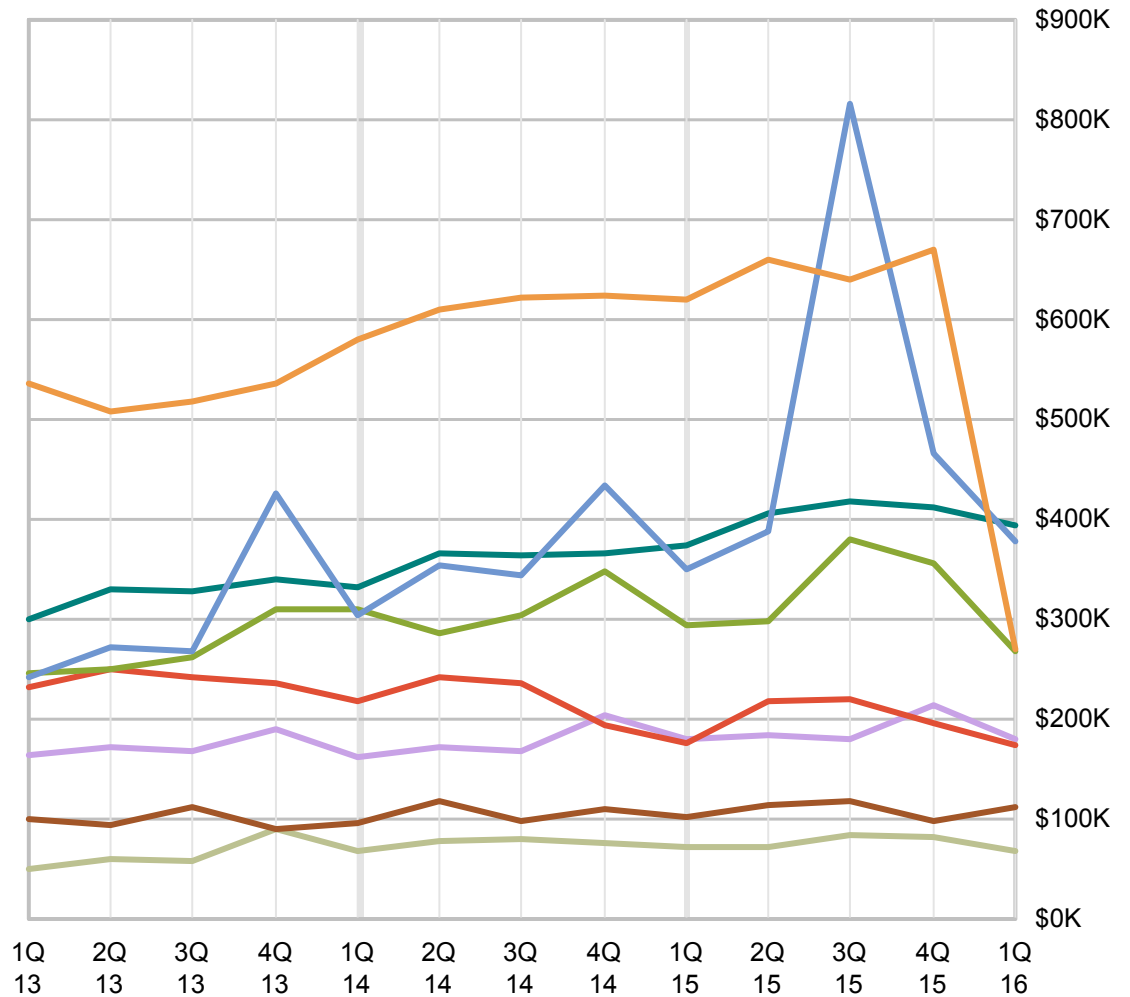
Count: 19

Autos And Transportation

Count: 124

Building And Construction

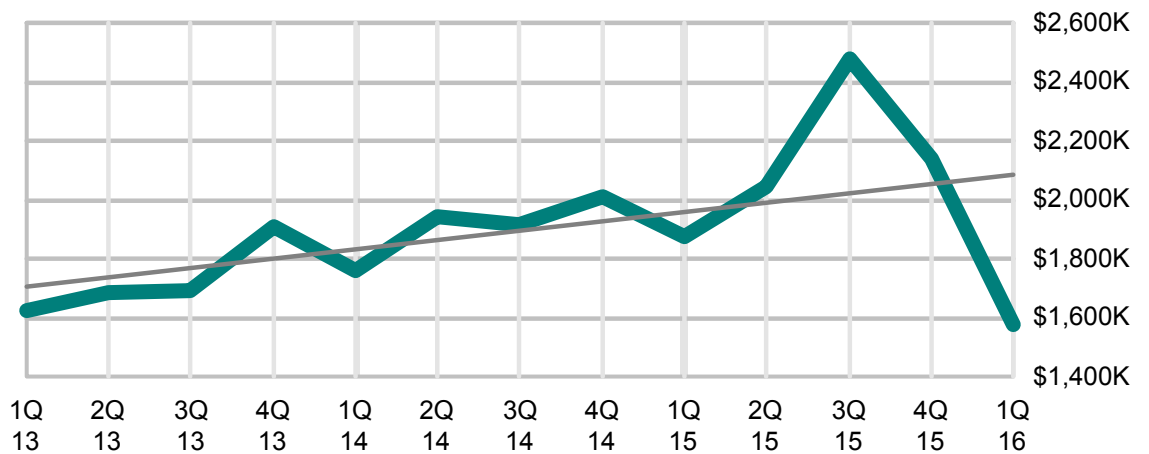
Count: 77



Agency Trend

Alameda

13 Quarter Trend: +22.5%



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

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CITY OF ALAMEDA

GEO AREA COMPARISONS - 13 QUARTER HISTORY

Geo Area Names

Sales Tax by Geographic areas

Harbor Bay Business Park

Count: 61

South Shore Center

Count: 87

Alameda Landing

Count: 31

Park - South Of Lincoln

Count: 322

Clement Ave & Blanding Ave

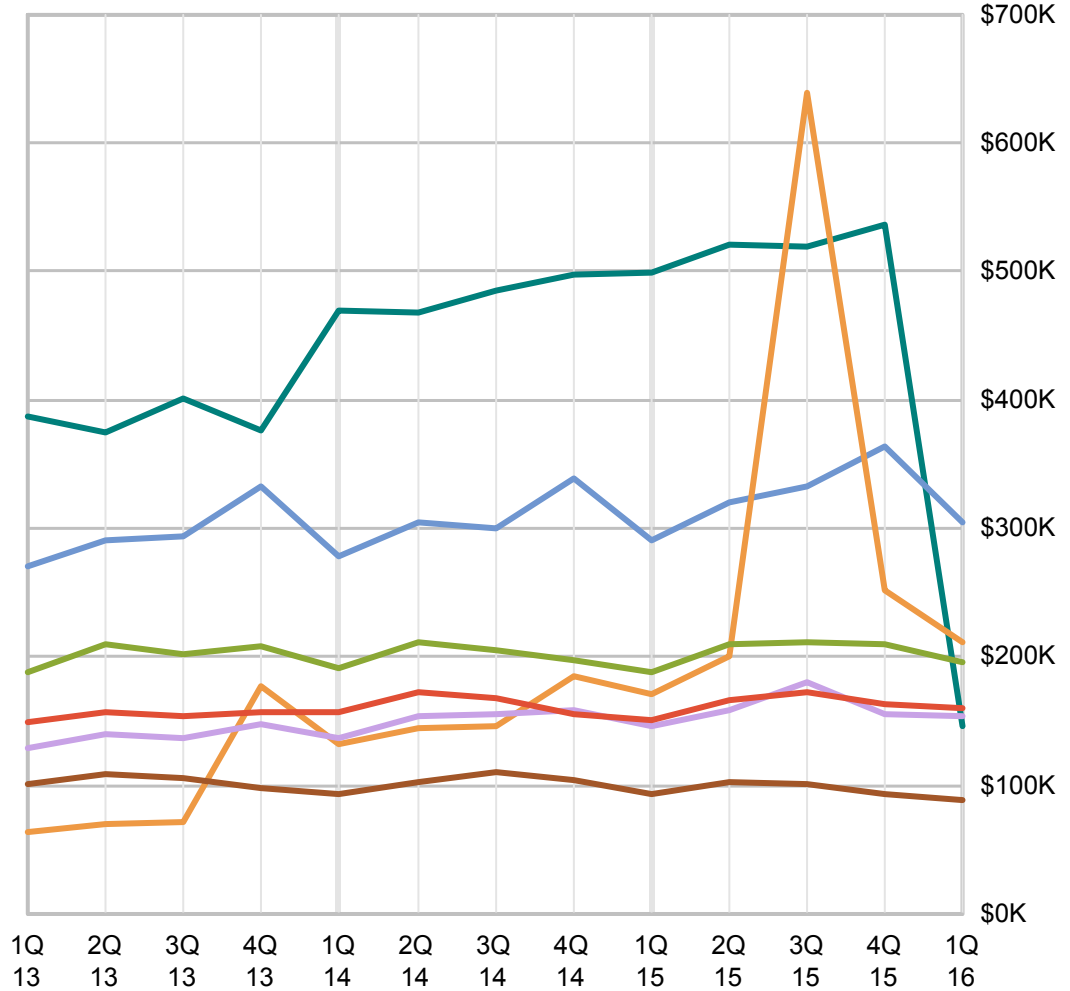
Count: 125

Park - North Of Lincoln

Count: 113

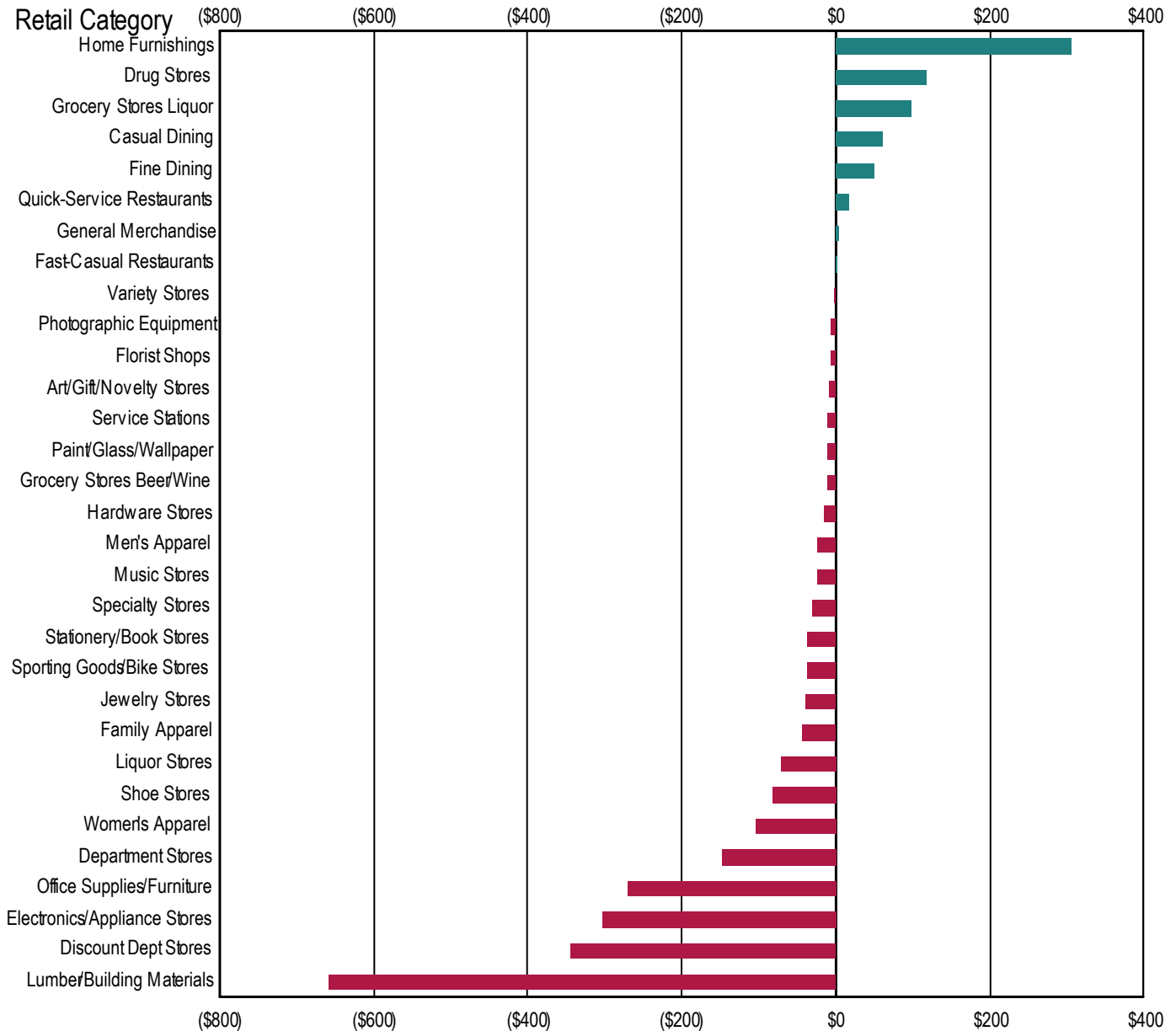
Webster-north Of Lincoln

Count: 39



* 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 - 1Q 2016 SALES

Agency allocations reflect "point of sale" receipts

Agency Name	Count	Current Year 1Q 2016	Prior Year 1Q 2015	Share of County Pool	Actual Receipts % Change	Adjusted* % Change
Hayward	4,864	7,097,440	6,696,919	11.5%	+ 6.0%	+ 9.1%
San Leandro	2,687	5,939,572	5,824,867	9.6%	+ 2.0%	+ 6.7%
Livermore	2,846	5,613,340	5,327,769	9.1%	+ 5.4%	+ 5.8%
Fremont	5,581	9,381,814	8,477,204	15.2%	+ 10.7%	+ 4.1%
Albany	559	527,054	617,780	0.9%	- 14.7%	+ 3.6%
Newark	1,375	2,508,000	2,353,574	4.1%	+ 6.6%	+ 3.4%
Emeryville	905	1,680,171	1,841,933	2.7%	- 8.8%	+ 2.3%
Dublin	1,415	4,023,753	3,914,507	6.5%	+ 2.8%	+ 0.9%
Oakland	13,319	10,504,899	10,497,620	17.1%	+ 0.1%	+ 0.2%
Berkeley	4,944	3,893,027	3,619,089	6.3%	+ 7.6%	- 0.1%
Alameda Co. Uninc	2,563	2,501,806	1,937,647	4.1%	+ 29.1%	- 3.1%
Union City	1,309	1,940,488	2,080,285	3.2%	- 6.7%	- 3.3%
Pleasanton	3,632	4,317,477	4,659,866	7.0%	- 7.3%	- 4.9%
Piedmont	226	38,788	47,245	0.1%	- 17.9%	- 11.7%
Alameda	3,132	1,619,899	1,977,745	2.6%	- 18.1%	- 15.9%
Totals	49,357	61,587,530	59,874,049	100.0%	+ 2.9%	+ 2.0%
Alameda Pool	12,897	10,164,319	6,426,595		+ 58.2%	+ 14.4%

CITY OF ALAMEDA

AGENCY COMPARISONS

Per Capita Sales

Alameda

Count: 3,132

Oakland

Count: 13,319

San Leandro

Count: 2,687

El Cerrito

Count: 659

Berkeley

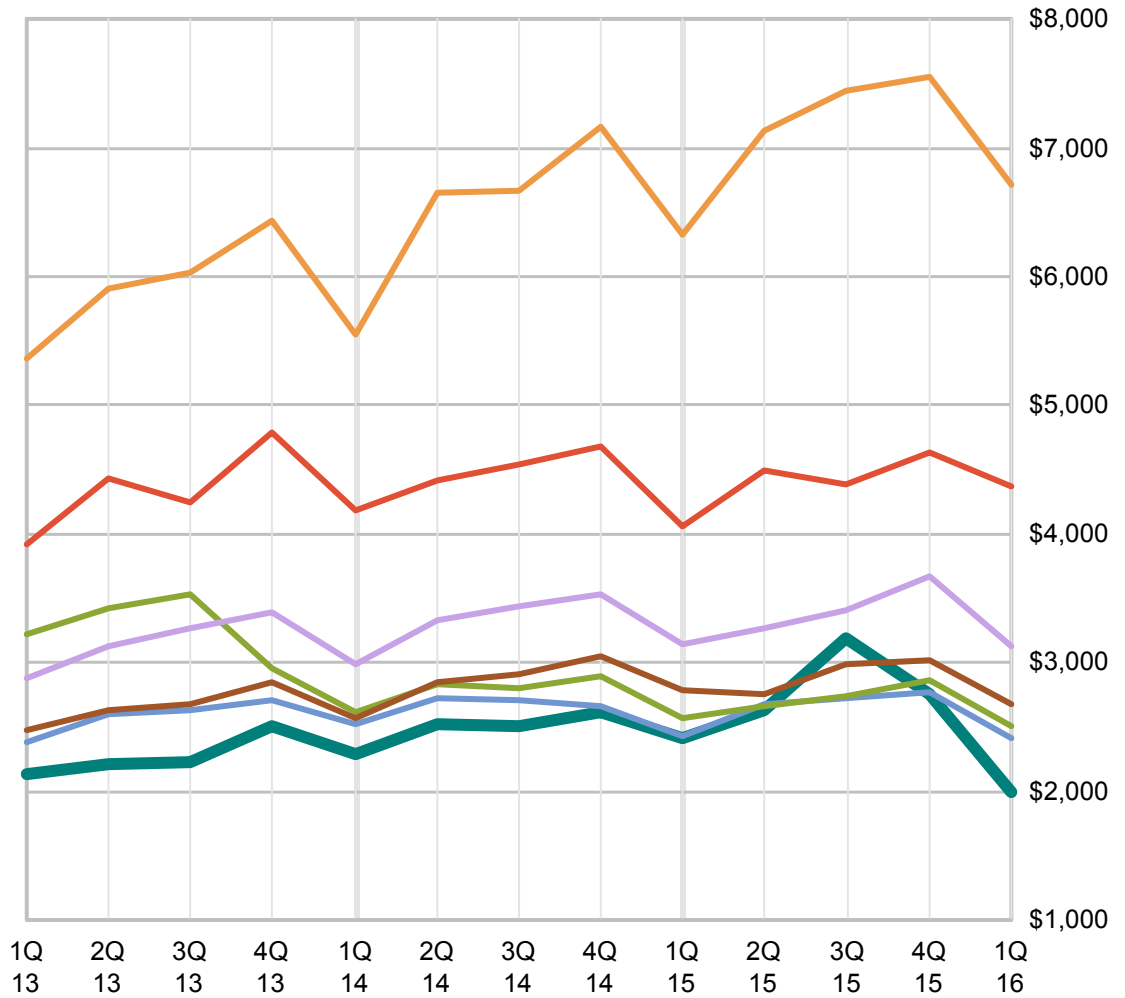
Count: 4,944

Hayward

Count: 4,864

Union City

Count: 1,309



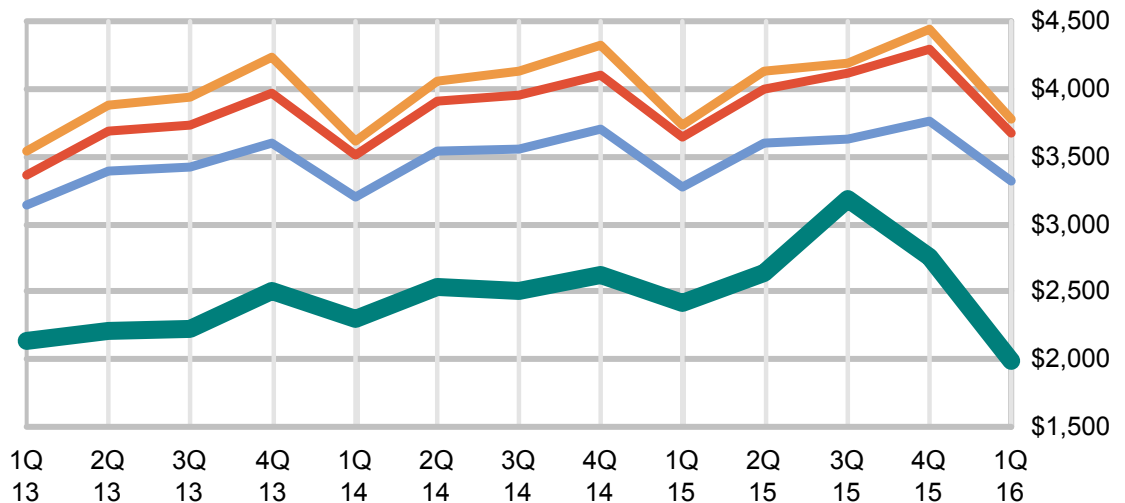
Per Capita Sales

Alameda

Alameda County

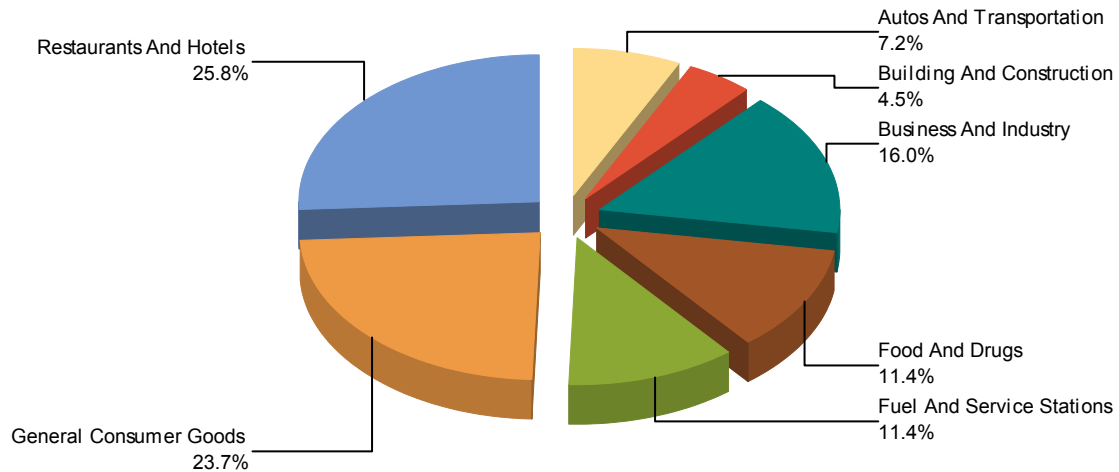
Bay Area

California



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City of Alameda



HdL Client Database Statewide Totals

