



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

Q3 2016



City of Alameda Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (July - September 2016)

Alameda In Brief

Alameda's receipts from July through September were 2.2% above the third sales period in 2015. Excluding reporting aberrations, actual sales were up 4.0%.

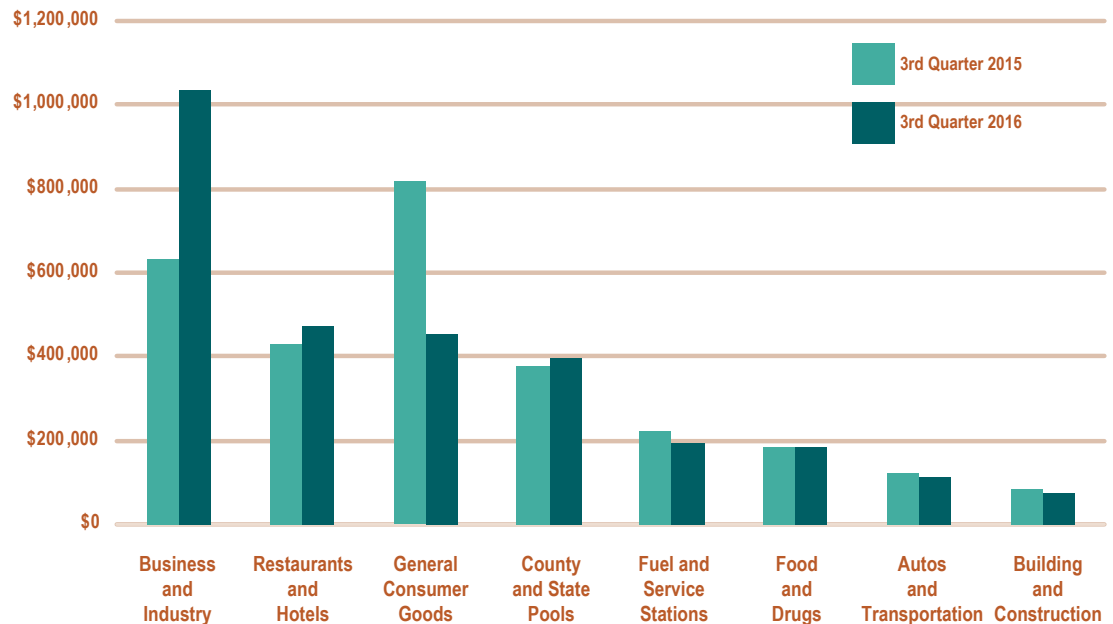
A large double payment that inflated business and industry results in the current year was more than offset by a misallocated payment that inflated prior year general consumer goods returns. Absent these two major aberrations, both sectors posted strong results during the quarter. The business sector was up 7.4% with multiple segments showing gains. The general retail group posted an even stronger 13% gain that was aided by a new outlet store.

New casual dining outlets provided half the gain in the restaurant group. Quick-service eateries also performed well. The City's allocation from the countywide use tax pool increased 5.0% during the quarter.

The gains were partially offset by continued lower gas prices that depressed service station returns, declining yacht sales, and a drop off in receipts from contractors.

Net of aberrations, taxable sales for all of Alameda County grew 5.1% over the comparable time period; the Bay Area was up 2.2%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

ABB Concise	North Face
Alameda Electrical Distributors	Officemax
Alameda Sushi House	Penumbra
Bed Bath & Beyond	Pottery Barn Outlet
Center for the Collaborative Classroom	Ross
Chevron	Safeway
CVS Pharmacy	Safeway Fuel
Delphi Productions	Standard Process
In N Out Burgers	Northern California
Kohls	Target
McDonalds	TJ Maxx
Nob Hill Fuel	Trader Joes
	Walgreens
	Webster 76

REVENUE COMPARISON

One Quarter – Fiscal Year To Date

	2015-16	2016-17
Point-of-Sale	\$2,488,507	\$2,531,298
County Pool	376,168	394,664
State Pool	476	886
Gross Receipts	\$2,865,150	\$2,926,848
Cty/Cnty Share	(143,258)	(146,342)
Net Receipts	\$2,721,893	\$2,780,505
Less Triple Flip*	\$(680,473)	\$0

*Reimbursed from county compensation fund

Statewide Results

Statewide local sales and use taxes from transactions occurring July through September were up 1.9% over the same third sales quarter of 2015 after factoring for accounting anomalies.

The countywide use tax allocation pools contributed the largest portion of the increase reflecting the acceleration in online shopping where most orders are shipped from out-of-state. Automotive group receipts rose 5.4% over the year-ago period although more than half of the increase was from a specific electric car manufacturer. Higher returns from restaurants and sales of building/construction materials also contributed to the statewide gain.

The gains were significantly offset by a 14.6% drop in receipts from fuel and service stations and a generally flat quarter for other economic segments. General consumer goods grew less than 1%. Value priced clothing, pet shops, cosmetics and dollar stores were among the few bright spots.

Business and industrial tax revenue was down 1.9%. Relatively healthy sales of agricultural and medical/biotech supplies could not overcome the decline in new alternative energy projects and a flat quarter for most other categories.

The Year Ahead

The consensus from dozens of industry analysts, economic think tanks and trade associations is for a leveling off in the rate of sales tax growth that the state has enjoyed for the last six years.

Manufacturer incentives are expected to produce lower gains from new vehicle purchases through the end of 2016 and it is believed that dealers are now borrowing from 2017 sales. Vehicle sales are expected to drop in 2017-18 but the trend toward higher priced vehicles loaded with options could maintain tax revenues close to current levels.

Consumer preferences toward spending more on services rather than goods, digital downloading of previously taxable products and rising health care and housing costs will be a drag on sales of consumer

goods.

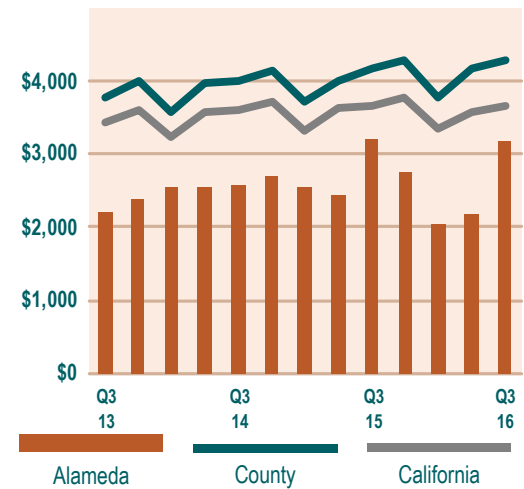
Receipts from fuel and service stations may be one of the largest gainers in 2017-18. New Middle East agreements on production caps are raising crude oil prices while California's limited refinery capacity and the trend toward less fuel-efficient SUV's and trucks have analysts believing that prices have finally leveled out and will rise through the year.

Continuing gains from restaurants are also expected although at lower than previous rates because of reduced grocery prices and the cost of eating at home. The growing strength of the dollar and recent criticisms of trade agreements and immigrants could reduce international tourism.

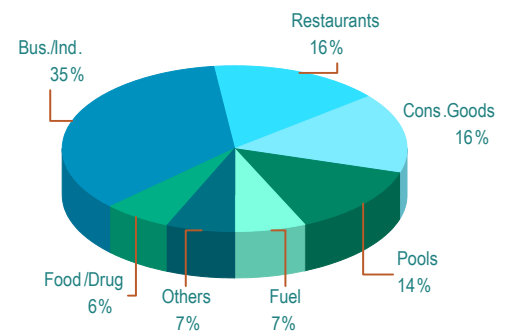
It usually takes up to two years for new stimulus programs to be reflected in sales tax receipts. As many of the coming administration's proposals related to trade, immigration, health services and the environment present potential issues for a significant number of California industries, delays in major construction projects and business/industrial investments are expected until these are sorted out.

HdL's current forecast is for a statewide increase of 2.5% in 2016-17 and 3.4% in 2017-18 compared to a year earlier.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP Alameda This Quarter

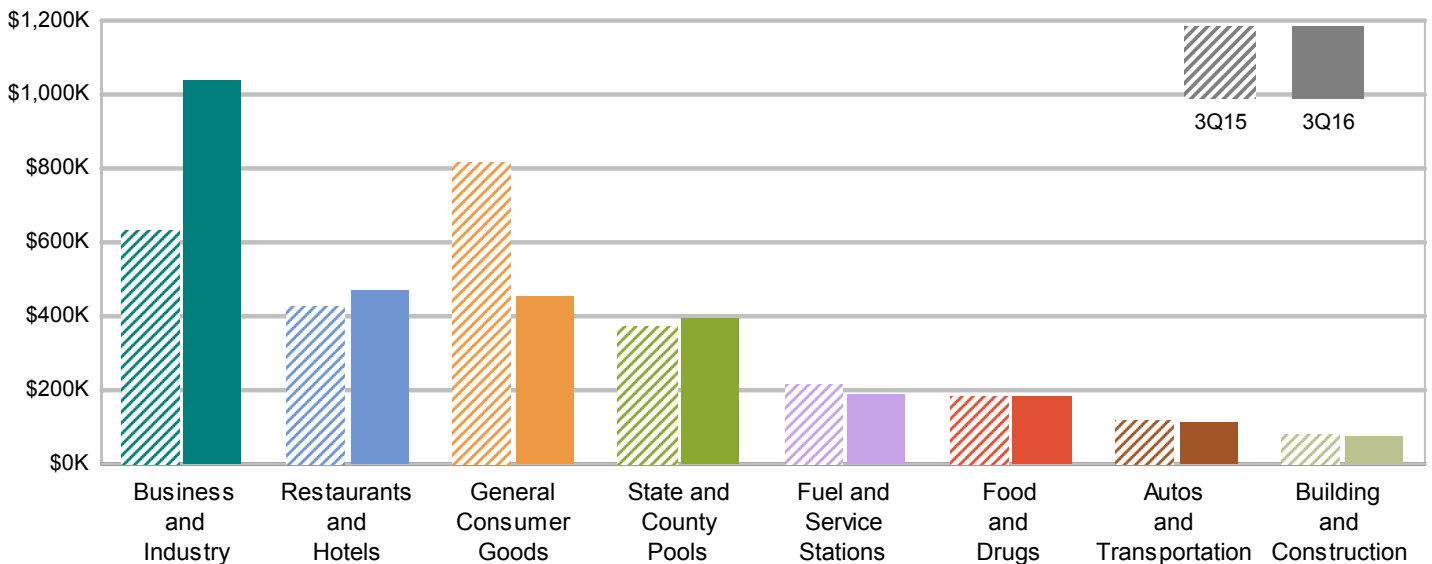


ALAMEDA TOP 15 BUSINESS TYPES

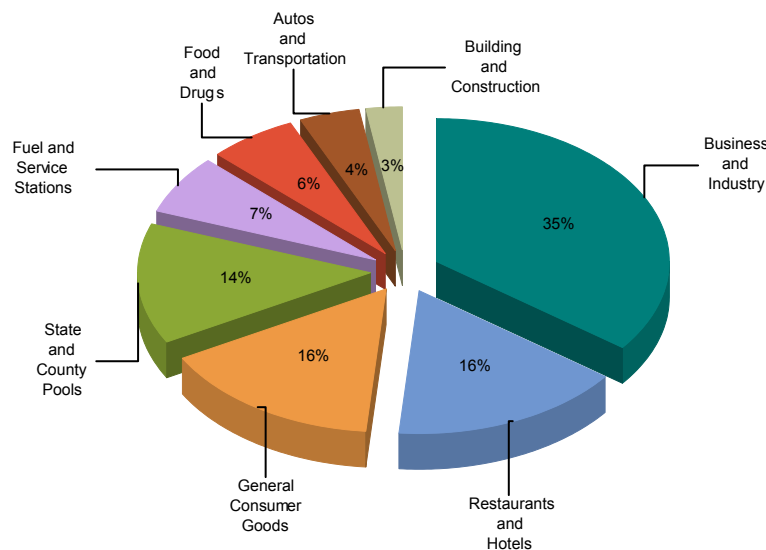
<i>*In thousands of dollars</i>				
Business Type	Alameda Q3 '16*	Alameda Change	County Change	HdL State Change
Boats/Motorcycles	48.4	-10.5%	-2.9%	3.7%
Business Services	49.5	11.3%	-7.4%	-37.7%
Casual Dining	231.8	10.6%	4.5%	4.4%
Discount Dept Stores	—	CONFIDENTIAL	-1.8%	-0.4%
Drug Stores	—	CONFIDENTIAL	-6.3%	-8.7%
Family Apparel	87.0	7.6%	10.9%	5.9%
Fulfillment Centers	—	CONFIDENTIAL	32.7%	19.4%
Grocery Stores	94.2	5.4%	2.6%	-2.1%
Home Furnishings	—	CONFIDENTIAL	-12.7%	-0.3%
Light Industrial/Printers	38.3	27.9%	-5.9%	-1.3%
Medical/Biotech	—	CONFIDENTIAL	29.8%	7.3%
Plumbing/Electrical Supplies	—	CONFIDENTIAL	3.8%	4.6%
Quick-Service Restaurants	155.4	13.1%	4.7%	8.9%
Service Stations	191.7	-13.1%	-9.0%	-13.8%
Specialty Stores	63.0	5.3%	4.3%	2.2%
Total All Accounts	2,531.3	1.7%	4.0%	0.9%
County & State Pool Allocation	395.5	5.0%	7.4%	11.5%
Gross Receipts	2,926.8	2.2%	4.5%	2.2%
City/County Share	(146.3)	-2.2%		
Net Receipts	2,780.5	2.2%		

Major Industry Group	Count	3Q16	3Q15	\$ Change	% Change
Business and Industry	641	1,035,559	631,571	403,988	64.0%
Restaurants and Hotels	311	471,694	428,691	43,003	10.0%
General Consumer Goods	1,762	453,524	817,248	(363,725)	-44.5%
State and County Pools	-	395,550	376,644	18,906	5.0%
Fuel and Service Stations	20	191,822	220,779	(28,957)	-13.1%
Food and Drugs	96	186,179	184,011	2,168	1.2%
Autos and Transportation	124	115,566	120,853	(5,287)	-4.4%
Building and Construction	81	76,046	85,353	(9,307)	-10.9%
Transfers & Unidentified	2	908	0	908	-N/A-
Total	3,037	2,926,848	2,865,150	61,697	2.2%

3Q15 Compared To 3Q16



3Q16 Percent of Total



CITY OF ALAMEDA

MAJOR INDUSTRY GROUPS - 13 QUARTER HISTORY

Sales Tax by Major Industry Group

Business And Industry

Count: 641

General Consumer Goods

Count: 1,762

Restaurants And Hotels

Count: 311

State & County Pools

Fuel And Service Stations

Count: 20

Food And Drugs

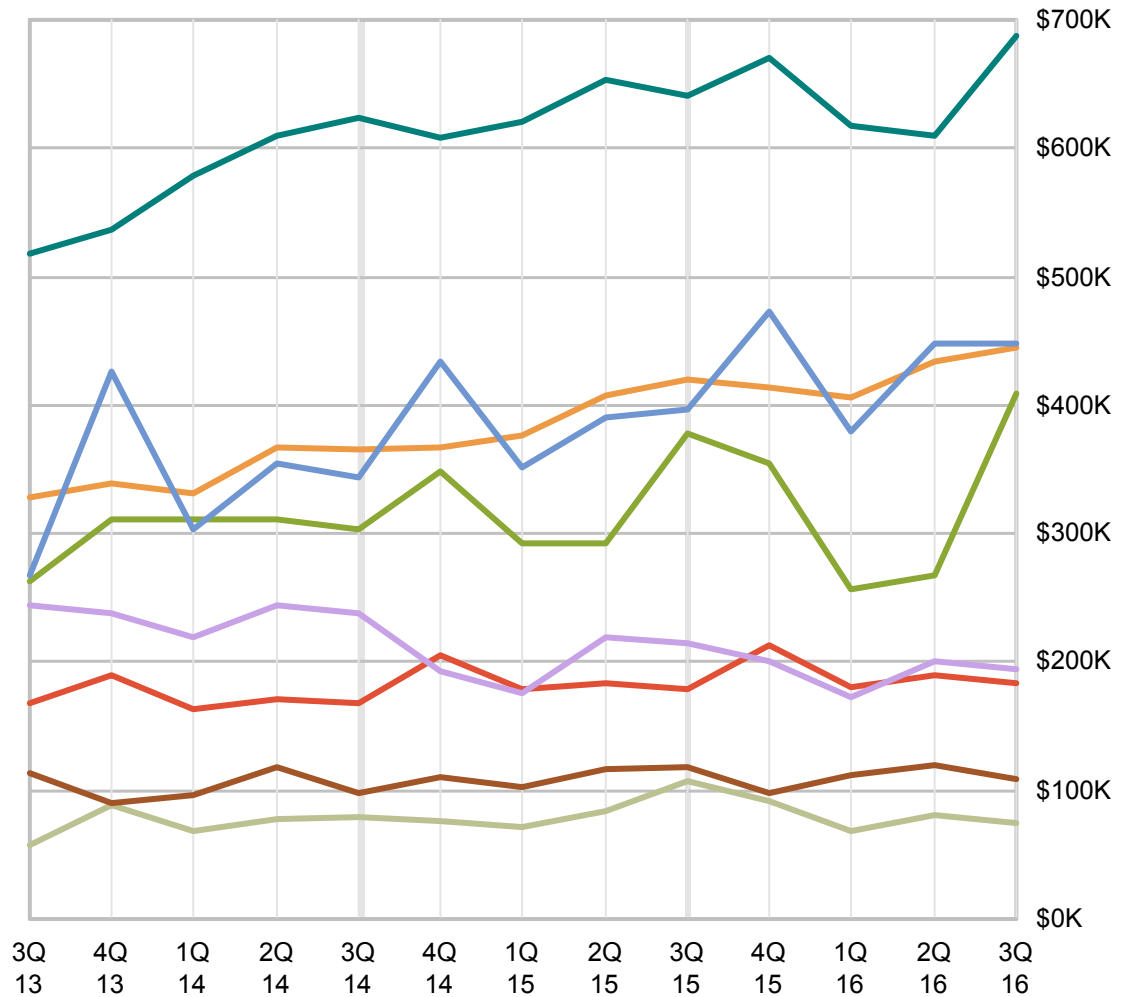
Count: 96

Autos And Transportation

Count: 124

Building And Construction

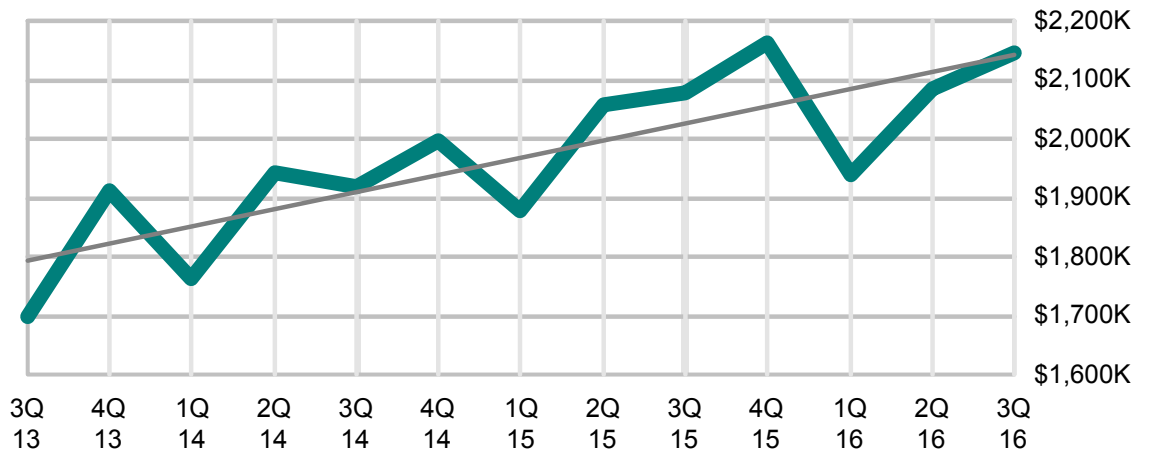
Count: 81



Agency Trend

Alameda

13 Quarter Trend: +19.5%



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: 84

Alameda Landing

Count: 34

Park - South Of Lincoln

Count: 318

Clement Ave & Blanding Ave

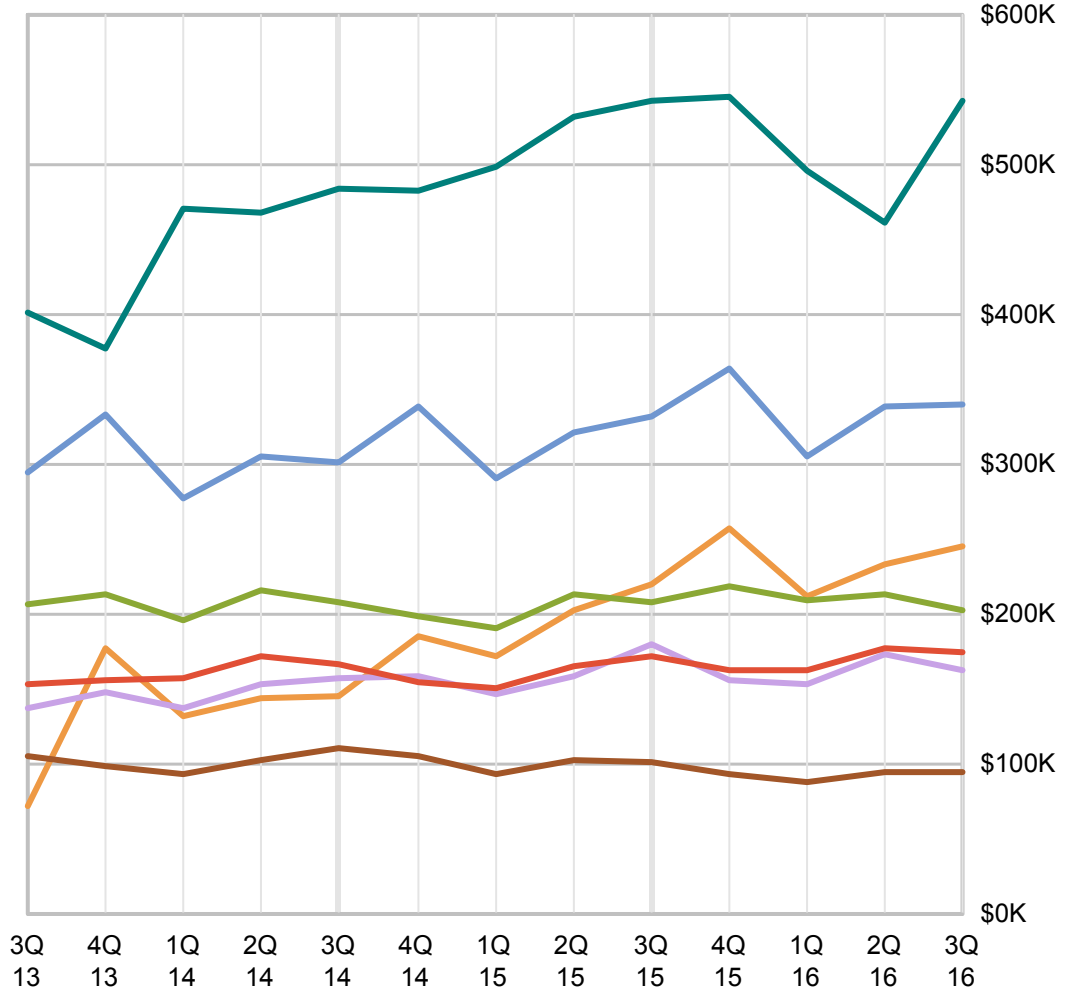
Count: 113

Park - North Of Lincoln

Count: 103

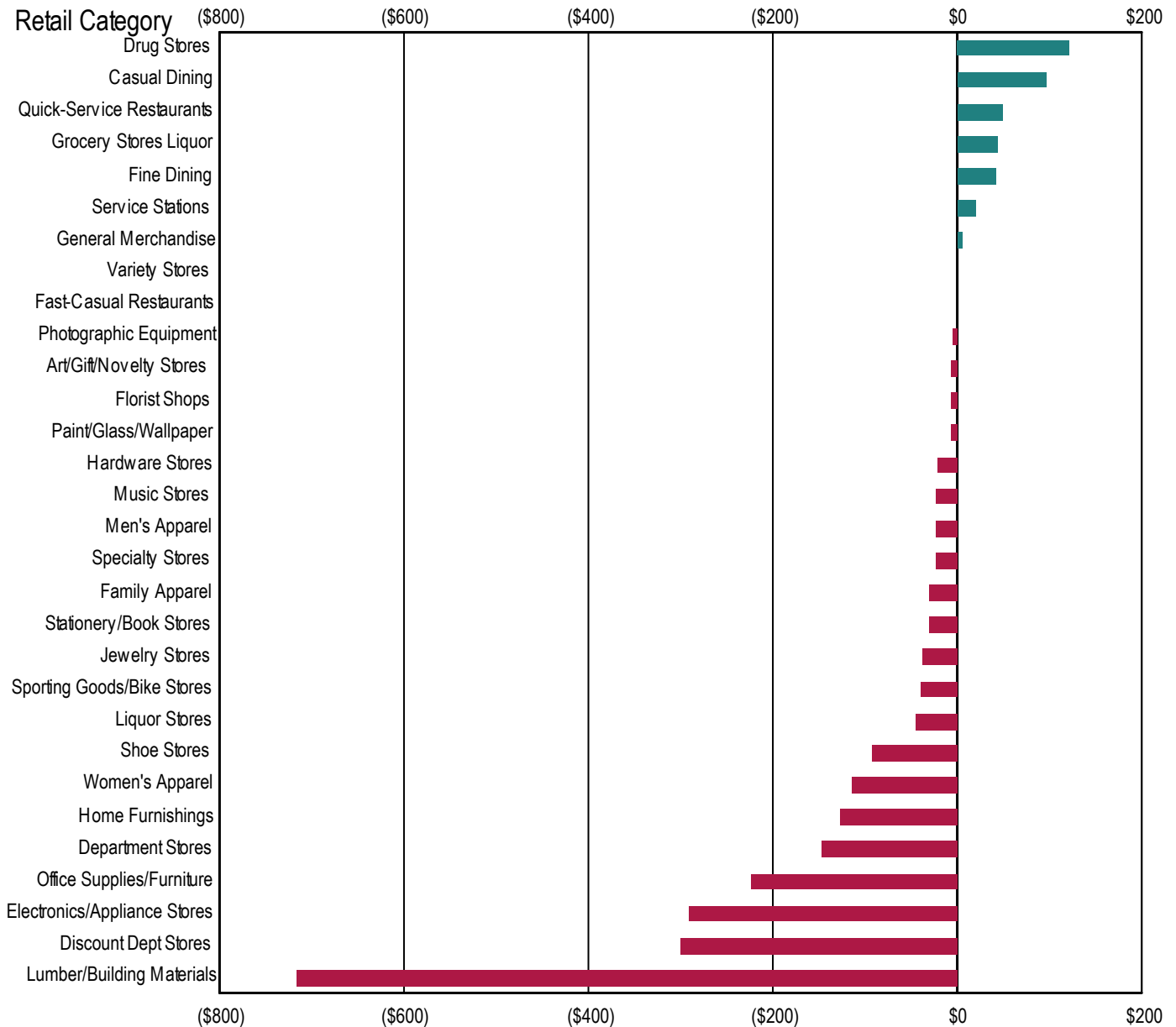
Webster-north Of Lincoln

Count: 38



* 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 - 3Q 2016 SALES

Agency allocations reflect "point of sale" receipts

Agency Name	Count	Current Year* 3Q 2016	Prior Year* 3Q 2015	Share of County Pool	Actual Receipts % Change	Adjusted* % Change
Fremont	5,515	10,806,399	9,769,750	15.4%	+ 10.6%	+ 10.9%
Hayward	4,480	7,815,064	7,061,784	11.2%	+ 10.7%	+ 9.7%
Dublin	1,398	4,672,444	4,268,462	6.7%	+ 9.5%	+ 8.7%
Albany	530	576,352	517,476	0.8%	+ 11.4%	+ 6.4%
Livermore	2,838	6,499,651	6,215,135	9.3%	+ 4.6%	+ 6.0%
San Leandro	2,670	6,827,060	6,470,952	9.8%	+ 5.5%	+ 4.4%
Newark	1,401	2,732,545	2,708,583	3.9%	+ 0.9%	+ 3.9%
Berkeley	4,909	4,267,928	4,205,416	6.1%	+ 1.5%	+ 3.8%
Alameda	3,037	2,531,298	2,488,507	3.6%	+ 1.7%	+ 3.2%
Pleasanton	3,598	5,219,598	5,193,945	7.5%	+ 0.5%	+ 1.6%
Piedmont	213	38,641	46,220	0.1%	- 16.4%	+ 0.9%
Oakland	13,319	11,740,862	11,641,403	16.8%	+ 0.9%	- 1.0%
Union City	1,306	2,016,274	2,174,836	2.9%	- 7.3%	- 2.3%
Alameda Co. Uninc	2,555	2,284,207	2,390,768	3.3%	- 4.5%	- 5.5%
Emeryville	881	1,935,078	2,094,799	2.8%	- 7.6%	- 6.2%
Totals	48,650	69,963,403	67,248,034	100.0%	+ 4.0%	+ 4.2%
Alameda Pool	13,041	10,908,241	10,165,350		+ 7.3%	+ 10.7%

CITY OF ALAMEDA

AGENCY COMPARISONS

Per Capita Sales

Alameda

Count: 3,037

Oakland

Count: 13,319

San Leandro

Count: 2,670

El Cerrito

Count: 678

Berkeley

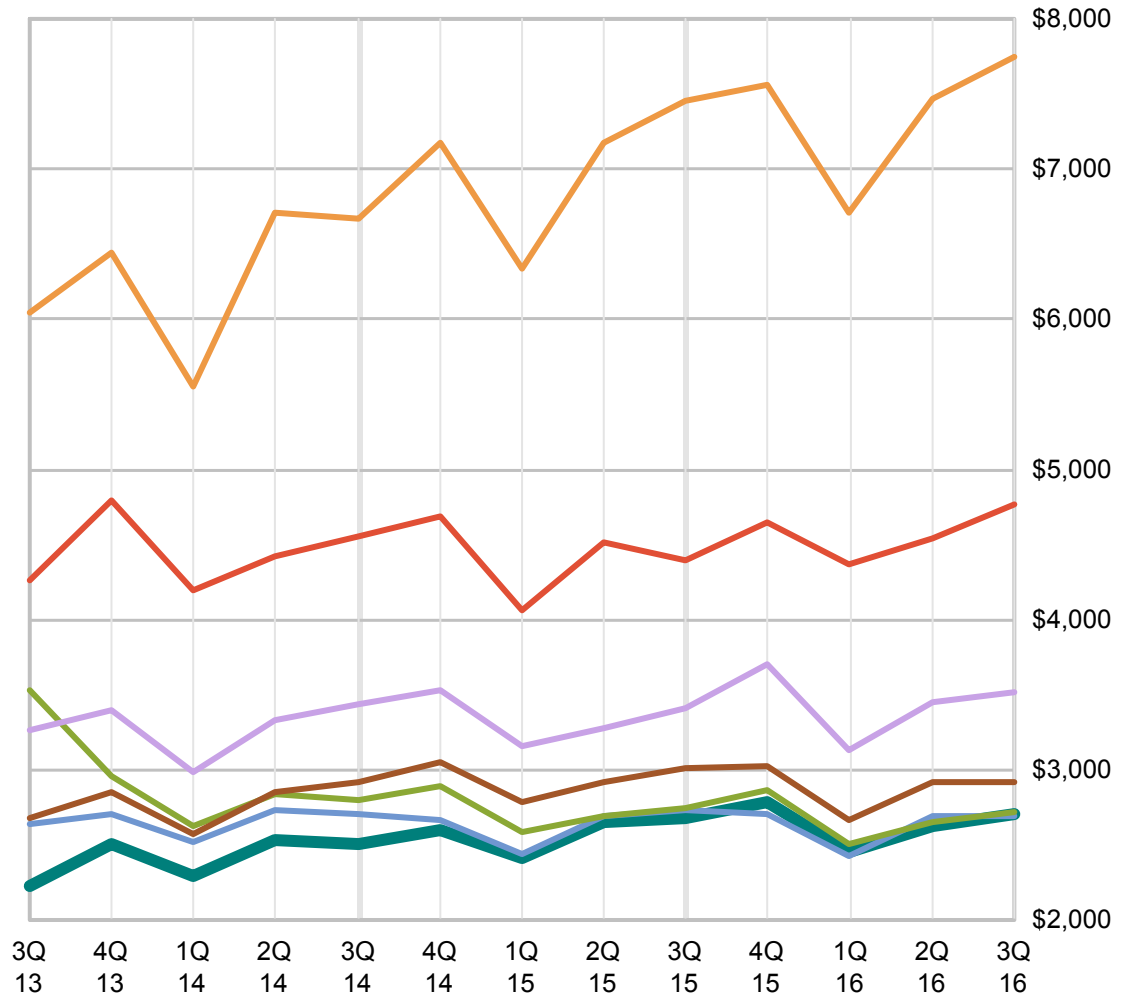
Count: 4,909

Hayward

Count: 4,480

Union City

Count: 1,306



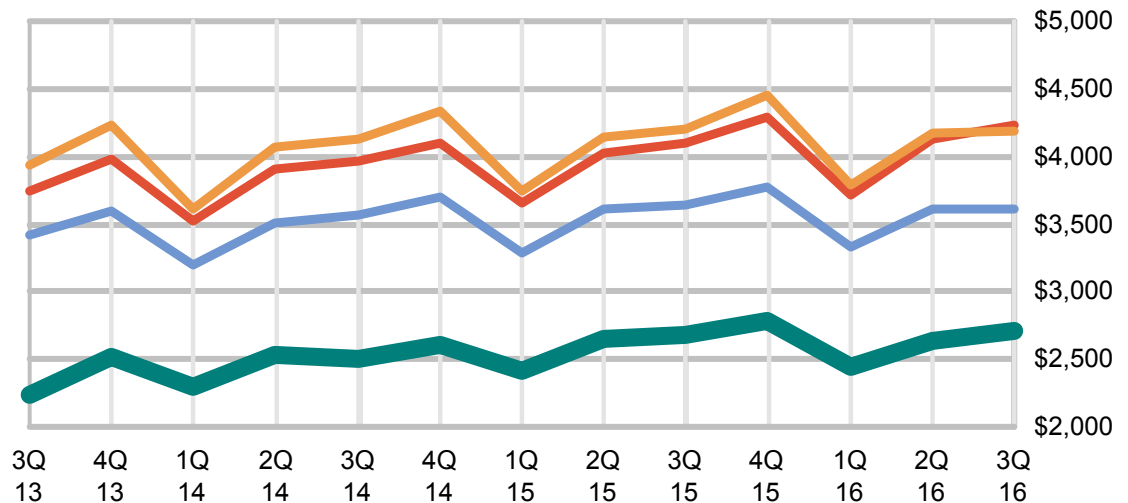
Per Capita Sales

Alameda

Alameda County

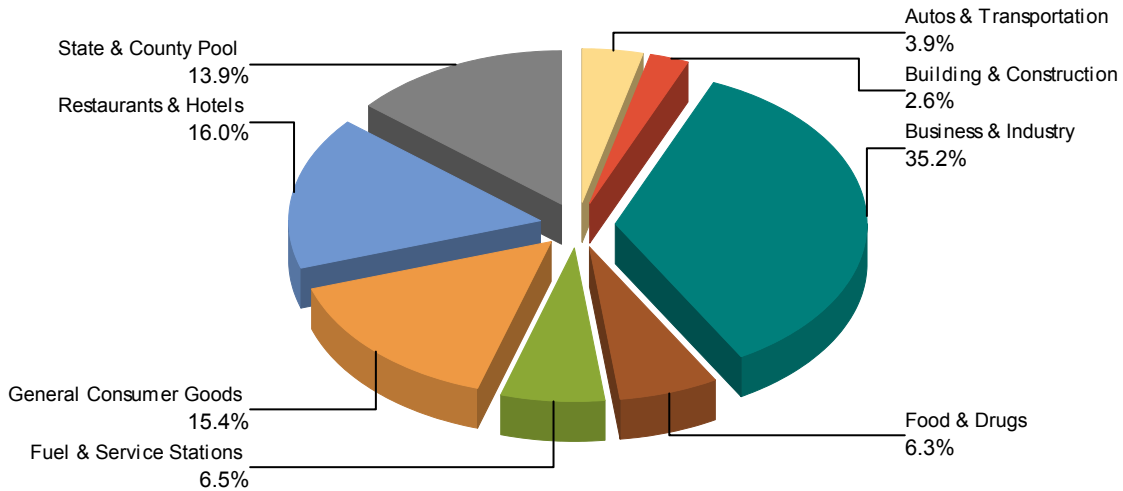
Bay Area

California



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City of Alameda



HdL Client Database Statewide Totals

