



**City of Palo Alto**  
**Sales Tax Digest Summary**  
**SECOND Quarter Collection of FIRST Quarter Sales**  
**2/12/2006 – 5/12/2006**



**Quarter 1, 2006**

**State Overview**

California experienced continued growth during the year ending 1<sup>st</sup> Quarter 2006. Cash receipts growth over the prior year was 9.3% statewide. Northern California saw a 9.5% increase in cash receipts while Southern California saw a 9.2% increase.

**City of Palo Alto Overview**

Excluding state and county pools and adjusting for anomalies (payments to prior periods) and late payments, the City's economic growth was 4.7% for the year ended 1<sup>st</sup> Quarter 2006 over the prior year. On a quarterly basis, the economic growth was 2.1% from 1<sup>st</sup> Quarter 2005 to 1<sup>st</sup> Quarter 2006. These percent changes measure the performance of sales tax generated within the City of Palo Alto's borders. Including state and county pools, and adjusting for anomalies (payments to prior periods) and late payments, the City's economic growth was 4.3% for the year ended 1<sup>st</sup> Quarter 2006 over the prior year. On a quarterly basis, the economic growth was 4.5% from 1<sup>st</sup> Quarter 2005 to 1<sup>st</sup> Quarter 2006.

**Regional Overview**

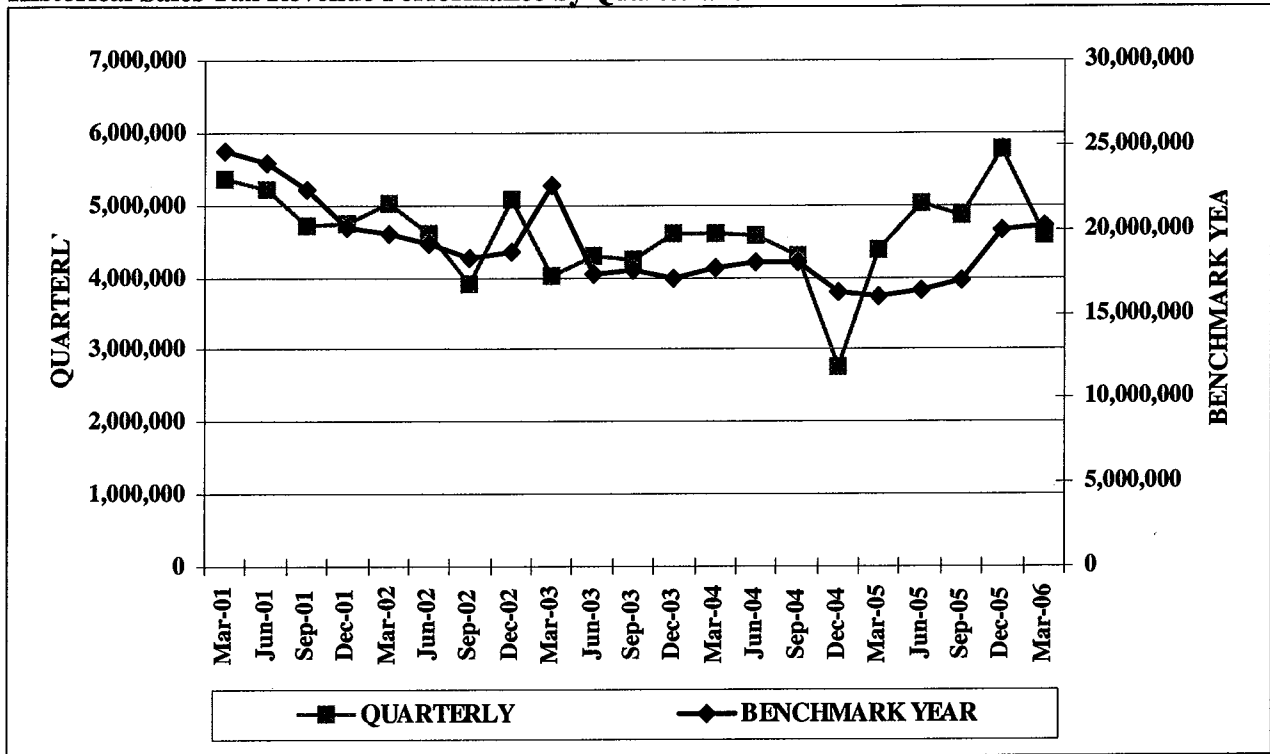
The following table compares the City of Palo Alto's economic growth compared to the six regions of California. The figures have been adjusted for anomalies, payments to prior periods, late payments, etc. Values indicate the percentage change over the year.

**ECONOMIC CATEGORIES: ANALYSIS FOR YEAR ENDED 1<sup>st</sup> QUARTER 2006**

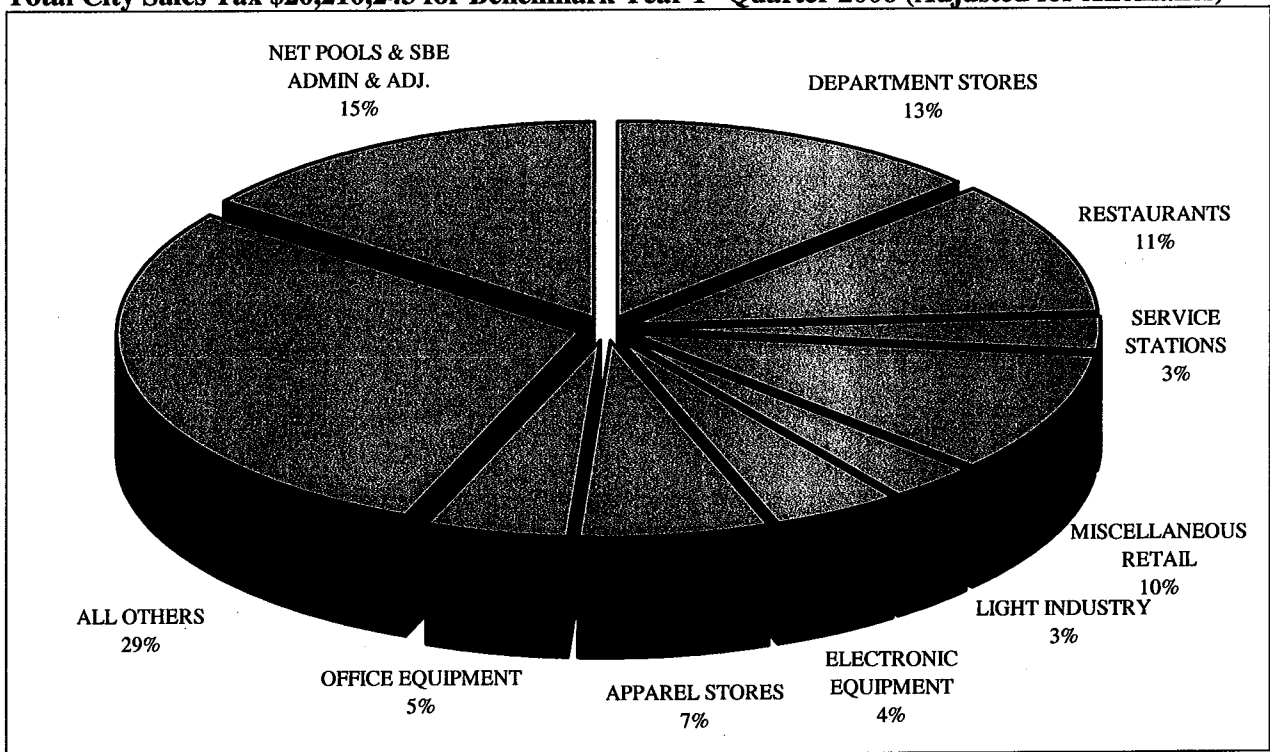
	City of Palo Alto	San Diego Area	San Francisco Valley	Central Valley	South Central	Central Empire	North Central
<b>General Retail</b>	2.8	3.6	3.5	6.9	4.5	9.7	4.1
% Change							
<b>Food Products</b>	1.9	4.9	5.7	6.7	5.9	5.8	4.6
% Change							
<b>Construction</b>	9.5	7.1	6.2	17.3	11.6	21.8	4.2
% Change							
<b>Transportation</b>	6.8	5.1	5.7	8.6	5.3	10.6	8.8
% Change							
<b>Business to Business</b>	14.9	1.1	4.8	10.9	4.5	15.6	12.9
% Change							
<b>Miscellaneous</b>	-40.4	-1.5	-7.6	7.1	4.3	23.2	17.6
% Change							
<b>TOTAL</b>	<b>4.7</b>	<b>5.1</b>	<b>4.9</b>	<b>9.3</b>	<b>5.6</b>	<b>12.2</b>	<b>6.4</b>
<b>1<sup>st</sup> Largest Segment</b>							
	<b>Department Stores</b>	<b>Auto Sales – New</b>	<b>Auto Sales – New</b>	<b>Department Stores</b>	<b>Auto Sales – New</b>	<b>Auto Sales – New</b>	<b>Department Stores</b>
% Change	0.3	1.6	0.8	7.5	-0.1	2.7	2.8
<b>2<sup>nd</sup> Largest Segment</b>							
	<b>Restaurants</b>	<b>Department Stores</b>	<b>Department Stores</b>	<b>Auto Sales – New</b>	<b>Restaurants</b>	<b>Restaurants</b>	<b>Auto Sales – New</b>
% Change	2.3	4.6	4.8	5.9	6.5	5.6	11.1
<b>3<sup>rd</sup> Largest Segment</b>							
	<b>Miscellaneous Retail</b>	<b>Restaurants</b>	<b>Bldg. Matls. – Whsle</b>	<b>Bldg. Matls. – Retail</b>	<b>Department Stores</b>	<b>Department Stores</b>	<b>Bldg. Matls. – Retail</b>
% Change	6.6	6.2	7.6	13.0	5.0	9.6	3.0

# City of Palo Alto

## Historical Sales Tax Revenue Performance by Quarter and Benchmark Year



## Total City Sales Tax \$20,210,243 for Benchmark Year 1<sup>st</sup> Quarter 2006 (Adjusted for Anomalies)



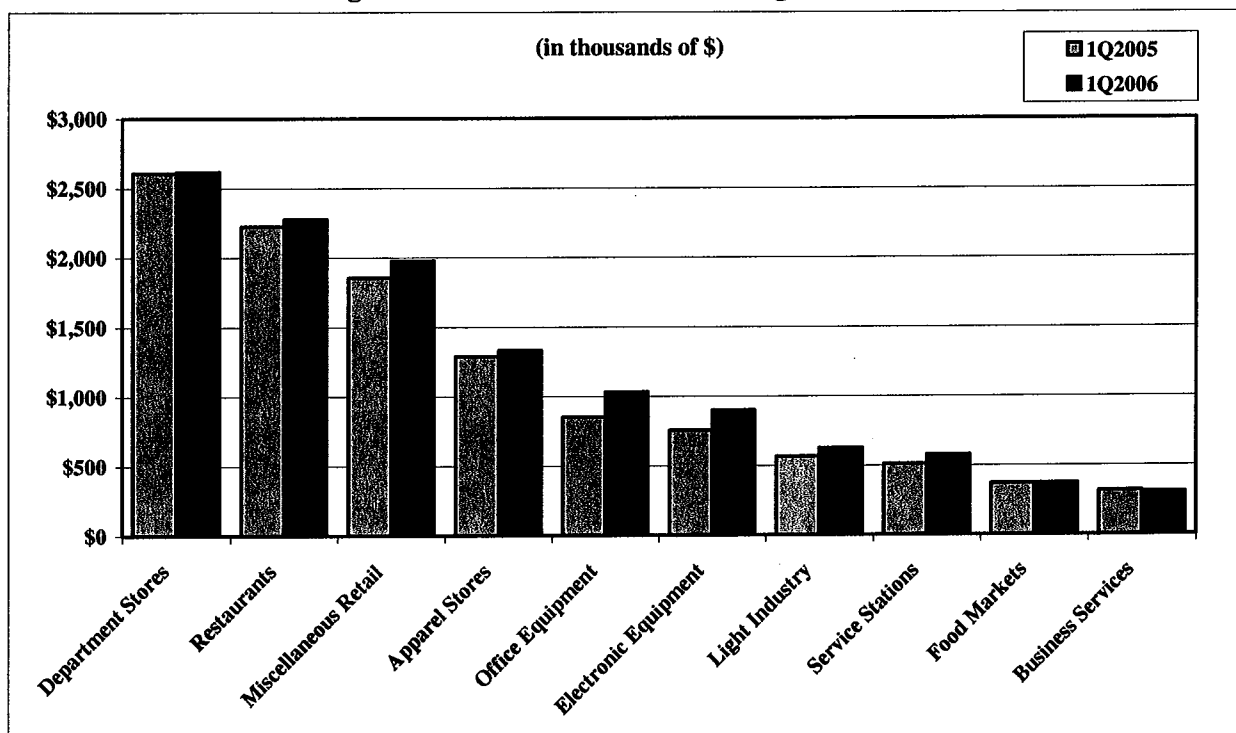
# City of Palo Alto

## Top 25 Sales/Use Tax Contributors

The following list identifies the top 25 Sales/Use Tax contributors in City of Palo Alto. The list is in alphabetical order and represents the most current four quarters. The top 25 Sales/Use Tax contributors generate 46.3% of the jurisdiction's total sales/use tax revenue.

- |                              |                                |
|------------------------------|--------------------------------|
| AGILENT TECHNOLOGIES INC.    | LONGS DRUG STORES              |
| ANDERSON HONDA               | MACY'S DEPARTMENT STORE        |
| APPLE STORES                 | MAGNUSSEN TOYOTA               |
| BLOOMINGDALE'S               | NEIMAN MARCUS DEPARTMENT STORE |
| CARLSEN MOTOR CARS           | NORDSTROM DEPARTMENT STORE     |
| CARLSEN VOLVO                | PENINSULA FORD OF PALO ALTO    |
| CRATE & BARREL               | SYNTEX LABORATORIES            |
| DOW JONES & COMPANY          | TIFFANY & COMPANY              |
| FRY'S ELECTRONICS            | VALERO SERVICE STATIONS        |
| HEWLETT-PACKARD              | VARIAN INC.INSTRUMENT DIVISION |
| HOOVER PAVILION PHARMACY     | VARIAN MEDICAL SYSTEMS         |
| INTEGRATED ARCHIVE SYSTEMS   | WILLIAMS-SONOMA HOME           |
| KEEBLE & SHUCHAT PHOTOGRAPHY |                                |

## Sales Tax from the Ten Largest Non-Confidential Business Segments (Benchmark Year)



# City of Palo Alto

## Historical Analysis by Calendar Quarter

ECONOMIC CATEGORY	%	2006/1	2005/4	2005/3	2005/2	2005/1	2004/4	2004/3	2004/2	2004/1
GENERAL RETAIL	37%	1,694,424	2,466,695	1,866,574	1,971,630	1,669,915	2,396,169	1,819,360	1,893,837	1,655,277
BUSINESS TO BUSINESS	17%	774,969	911,200	723,371	791,937	751,463	728,073	614,528	692,344	659,896
TRANSPORTATION	14%	662,260	698,211	805,082	704,420	638,486	697,368	694,051	657,317	662,487
FOOD PRODUCTS	14%	656,378	699,720	664,870	679,174	641,962	680,526	653,791	672,345	636,570
CONSTRUCTION	2%	81,347	83,324	67,734	78,563	75,109	75,124	70,415	63,303	59,625
MISCELLANEOUS	1%	35,470	65,882	32,934	46,318	48,590	41,436	190,039	22,955	23,430
NET POOLS/SBE/ADMIN/ADJ.	15%	669,775	839,241	743,037	741,936	543,295	924,144	245,640	566,243	900,254
<b>TOTALS</b>	<b>100%</b>	<b>4,574,623</b>	<b>5,764,273</b>	<b>4,903,602</b>	<b>5,013,978</b>	<b>4,368,820</b>	<b>5,542,840</b>	<b>4,287,824</b>	<b>4,568,344</b>	<b>4,597,539</b>

ECONOMIC SEGMENT	%	2006/1	2005/4	2005/3	2005/2	2005/1	2004/4	2004/3	2004/2	2004/1
RESTAURANTS	12%	557,040	583,016	561,060	575,043	542,657	565,161	550,380	566,170	531,886
DEPARTMENT STORES	11%	514,057	857,598	591,493	652,712	526,687	840,405	600,901	640,095	531,636
AUTO SALES - NEW	9%	433,502	455,999	559,445	464,091	434,462	462,081	472,229	446,700	444,419
MISCELLANEOUS RETAIL	9%	427,089	631,882	454,425	464,002	395,552	598,501	437,546	422,753	370,007
APPAREL STORES	6%	277,303	408,937	313,648	332,859	281,901	391,571	287,855	327,756	283,625
OFFICE EQUIPMENT	6%	260,190	280,495	248,996	242,520	214,416	262,188	170,750	204,227	225,753
ELECTRONIC EQUIPMENT	5%	219,454	275,275	177,634	228,813	259,397	153,949	160,002	182,906	169,789
LIGHT INDUSTRY	3%	146,103	161,565	149,416	167,766	135,674	160,804	127,349	141,624	120,716
SERVICE STATIONS	3%	130,822	135,650	158,099	152,370	120,045	136,373	125,389	128,693	108,160
FOOD MARKETS	2%	87,663	102,272	91,203	90,044	86,066	99,945	90,649	92,932	92,276
BUSINESS SERVICES	2%	71,955	72,045	85,886	77,474	75,648	73,218	76,144	91,232	76,680
BLDG.MATLS-RETAIL	2%	69,684	70,319	57,404	66,618	64,205	64,608	61,191	54,699	50,320
LEASING	1%	40,793	38,034	43,066	41,221	42,788	44,706	55,640	51,205	44,085
HEALTH & GOVERNMENT	1%	27,775	24,826	20,514	18,388	24,858	20,903	17,142	14,208	17,699
AUTO PARTS/REPAIR	1%	25,927	28,232	30,145	30,734	30,168	27,641	31,014	32,011	30,661
LIQUOR STORES	0%	11,675	14,432	12,607	13,738	12,687	14,784	12,754	13,243	12,408
BLDG.MATLS-WHSLE	0%	11,663	13,005	10,330	11,945	10,904	10,516	9,224	8,604	9,305
MISCELLANEOUS OTHER	0%	7,695	11,644	7,524	13,936	7,078	13,923	6,897	8,747	5,731
ALL OTHER	13%	584,458	759,806	587,670	627,768	560,332	677,419	749,128	574,296	572,129
NET POOLS/SBE/ADMIN/ADJ.	15%	669,775	839,241	743,037	741,936	543,295	924,144	245,640	566,243	900,254
<b>TOTALS</b>	<b>100%</b>	<b>4,574,623</b>	<b>5,764,273</b>	<b>4,903,602</b>	<b>5,013,978</b>	<b>4,368,820</b>	<b>5,542,840</b>	<b>4,287,824</b>	<b>4,568,344</b>	<b>4,597,539</b>

# City of Palo Alto

## And Selected Northern California

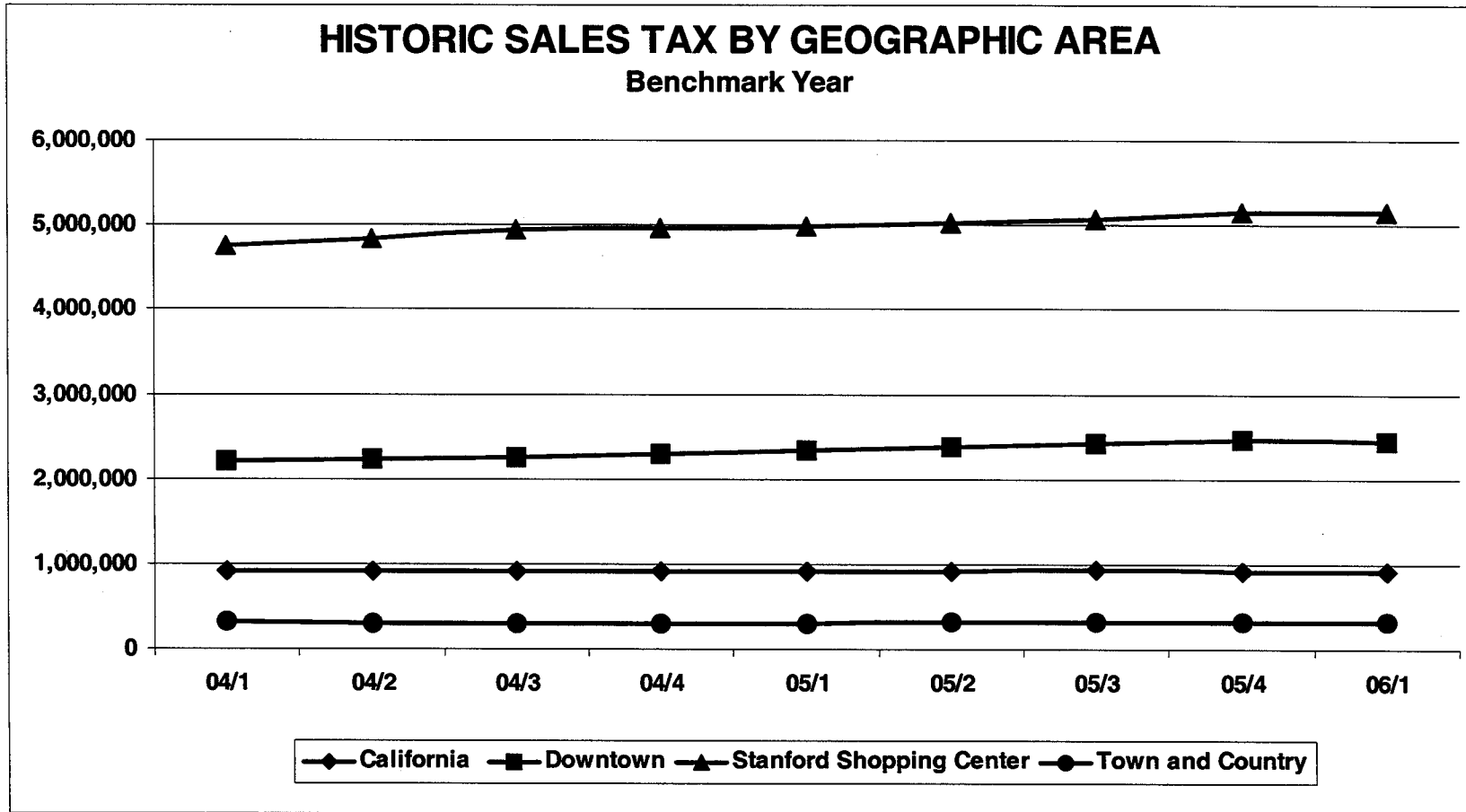
Jurisdiction	General Retail	Food Products	Transportation	Construction	Business to Business	Miscellaneous	2006/1 Total	2005/1 Total	% Chg	Gain			
										Gain	Gain	Decline	Decline
SAN JOSE	5.9%	6.2%	2.9%	9.9%	-1.8%	4.3%	27,017,521	26,045,937	3.7%	SERVICE STATIONS	RESTAURANTS	ELECTRONIC EQUIPMENT	OFFICE EQUIPMENT
SACRAMENTO UNINCORP	-0.2%	1.6%	0.0%	-0.1%	2.7%	-6.4%	16,254,063	16,184,478	0.4%	SERVICE STATIONS	DEPARTMENT STORES	AUTO SALES - NEW	OFFICE EQUIPMENT
SACRAMENTO	0.5%	4.4%	7.3%	3.3%	10.2%	-12.2%	14,048,159	13,458,072	4.4%	BLDG.MATLS-WHSLE	SERVICE STATIONS	BLDG.MATLS-RETAIL	MISC. VEHICLE SALES
ROSEVILLE	6.4%	8.1%	5.0%	-17.4%	32.2%	-25.3%	9,358,327	8,866,522	5.5%	ELECTRONIC EQUIPMENT	DEPARTMENT STORES	BLDG.MATLS-RETAIL	MISC. VEHICLE SALES
SANTA CLARA	2.9%	6.8%	4.6%	19.2%	21.1%	41.7%	7,991,857	7,084,350	12.8%	ELECTRONIC EQUIPMENT	OFFICE EQUIPMENT	CHEMICAL PRODUCTS	BUSINESS SERVICES
SANTA ROSA	1.1%	0.9%	2.4%	4.0%	21.6%	-13.3%	6,878,792	6,642,283	3.6%	LIGHT INDUSTRY	SERVICE STATIONS	MISC. VEHICLE SALES	MISCELLANEOUS RETAIL
HAYWARD	2.3%	0.6%	-3.2%	8.8%	-7.5%	-13.3%	5,694,584	5,766,870	-1.3%	HEAVY INDUSTRY	BLDG.MATLS-WHSLE	OFFICE EQUIPMENT	CHEMICAL PRODUCTS
SAN LEANDRO	0.5%	1.9%	-5.3%	-7.8%	10.7%	-21.7%	4,487,333	4,497,214	-0.2%	LIGHT INDUSTRY	FURNITURE/APPLIANCE	AUTO SALES - NEW	DEPARTMENT STORES
WALNUT CREEK	1.4%	0.8%	8.4%	8.9%	9.9%	-18.8%	4,199,977	4,013,715	4.6%	SERVICE STATIONS	OFFICE EQUIPMENT	HEALTH & GOVERNMENT	LEASING
<b>CITY OF PALO ALTO</b>	<b>15%</b>	<b>22%</b>	<b>5%</b>	<b>3%</b>	<b>3%</b>	<b>-27%</b>	<b>3,304,846</b>	<b>3,325,527</b>	<b>-2%</b>	<b>OFFICE EQUIPMENT</b>	<b>MISCELLANEOUS RETAIL</b>	<b>ELECTRONIC EQUIPMENT</b>	<b>CLOSED/ACCT ADJUSTMT</b>
REDWOOD CITY	3.9%	3.4%	5.9%	11.1%	0.6%	-23.7%	3,719,748	3,578,602	3.9%	AUTO SALES - NEW	LIGHT INDUSTRY	LEASING	ELECTRONIC EQUIPMENT
SAN MATEO	-1.3%	3.1%	10.9%	-2.9%	-2.7%	-6.8%	3,339,499	3,297,825	1.3%	SERVICE STATIONS	APPAREL STORES	MISCELLANEOUS RETAIL	FURNITURE/APPLIANCE
MILPITAS	11.3%	3.8%	-3.5%	-10.7%	24.8%	6.8%	3,105,855	2,828,045	9.8%	ELECTRONIC EQUIPMENT	FURNITURE/APPLIANCE	BLDG.MATLS-RETAIL	BLDG.MATLS-WHSLE
BERKELEY	-3.4%	3.2%	2.7%	6.6%	1.2%	3.0%	3,015,101	2,986,880	0.9%	SERVICE STATIONS	RESTAURANTS	HEAVY INDUSTRY	FURNITURE/APPLIANCE
GILROY	5.9%	13.0%	0.5%	-0.9%	17.8%	4.0%	2,763,716	2,634,977	4.9%	DEPARTMENT STORES	RESTAURANTS	MISCELLANEOUS RETAIL	MISC. VEHICLE SALES
SOUTH SAN FRANCISCO	0.1%	8.4%	-9.6%	24.1%	12.8%	23.1%	2,618,917	2,434,185	7.6%	LEASING	BLDG.MATLS-WHSLE	CHEMICAL PRODUCTS	AUTO SALES - NEW
ANTIOCH	2.5%	0.6%	7.3%	19.6%	17.0%	-16.7%	2,265,884	2,136,714	6.0%	BLDG.MATLS-RETAIL	AUTO SALES - NEW	BLDG.MATLS-WHSLE	MISCELLANEOUS RETAIL
CAMPBELL	-0.9%	2.4%	-0.9%	1.5%	40.0%	18.2%	1,927,070	1,824,454	5.6%	OFFICE EQUIPMENT	BLDG.MATLS-WHSLE	BLDG.MATLS-RETAIL	LIGHT INDUSTRY
LOS GATOS	20.4%	7.4%	3.6%	35.3%	-2.7%	-50.7%	1,799,714	1,640,598	9.7%	MISCELLANEOUS RETAIL	RESTAURANTS	HEALTH & GOVERNMENT	LIGHT INDUSTRY
UNION CITY	-1.6%	-0.4%	5.2%	11.3%	30.7%	16.0%	1,760,677	1,624,326	8.4%	HEAVY INDUSTRY	BLDG.MATLS-WHSLE	BLDG.MATLS-RETAIL	DEPARTMENT STORES
SAN RAMON	6.2%	9.4%	9.0%	-8.5%	4.9%	-0.8%	1,720,024	1,645,130	4.6%	RESTAURANTS	ELECTRONIC EQUIPMENT	HEAVY INDUSTRY	BLDG.MATLS-RETAIL
PITTSBURG	-0.9%	-1.6%	1.0%	6.7%	2.4%	-55.6%	1,680,028	1,666,970	0.8%	BLDG.MATLS-WHSLE	SERVICE STATIONS	BLDG.MATLS-RETAIL	LIGHT INDUSTRY
EMERYVILLE	-2.2%	6.3%	11.8%	-1.8%	6.9%	40.2%	1,622,403	1,603,926	1.2%	LIGHT INDUSTRY	MISCELLANEOUS RETAIL	FURNITURE/APPLIANCE	BLDG.MATLS-RETAIL
ROHNERT PARK	-0.4%	2.7%	10.4%	1.6%	16.9%	5.1%	1,609,444	1,556,045	3.4%	LIGHT INDUSTRY	BLDG.MATLS-WHSLE	BLDG.MATLS-RETAIL	ELECTRONIC EQUIPMENT
PLEASANT HILL	3.7%	6.1%	27.5%	0.2%	29.0%	-3.6%	1,493,413	1,376,797	8.5%	DEPARTMENT STORES	SERVICE STATIONS	OFFICE EQUIPMENT	RECREATION PRODUCTS
MENLO PARK	-10.5%	2.1%	-33.6%	21.5%	13.5%	21.6%	1,321,684	1,327,925	-0.5%	ELECTRONIC EQUIPMENT	OFFICE EQUIPMENT	AUTO SALES - NEW	MISCELLANEOUS RETAIL
EAST PALO ALTO	-5.7%	36.0%	32.0%	-32.0%	-11.2%	21.9%	543,141	610,211	-11.0%	RESTAURANTS	AUTO PARTS/REPAIR	BLDG.MATLS-RETAIL	FURNITURE/APPLIANCE

# City of Palo Alto

## CITY OF PALO ALTO - SELECTED GEOGRAPHICAL AREAS OF THE CITY BENCHMARK YEAR 1ST QUARTER 2006

	2004/1	2004/2	2004/3	2004/4	2005/1	2005/2	2005/3	2005/4	2006/1
California	913,673	904,585	903,248	907,876	911,929	920,230	926,005	920,366	913,773
Downtown	2,198,481	2,231,536	2,250,089	2,288,079	2,328,050	2,372,013	2,415,427	2,449,291	2,448,665
Stanford Shopping Center	4,752,563	4,837,096	4,930,330	4,970,861	4,975,536	5,030,751	5,064,329	5,144,244	5,154,986
Town and Country	309,939	306,374	307,105	302,229	302,057	309,924	315,123	326,741	325,345

### HISTORIC SALES TAX BY GEOGRAPHIC AREA Benchmark Year



# City of Palo Alto

## CITY OF PALO - REGIONAL SHOPPING CENTER COMPARISON BENCHMARK YEAR 1ST QUARTER 2006

	2004/1	2004/2	2004/3	2004/4	2005/1	2005/2	2005/3	2005/4	2006/1
Valley Fair	5,235,687	5,319,991	5,403,492	5,521,265	5,594,950	5,718,009	5,838,957	5,996,093	6,047,693
Santana Row	1,186,820	1,291,309	1,362,378	1,431,447	1,478,726	1,526,896	1,584,724	1,640,046	1,686,340
Hillsdale	2,327,688	2,324,341	2,324,585	2,328,879	2,335,987	2,378,640	2,423,224	2,448,138	2,473,762
Stanford Shopping Center	4,752,563	4,837,096	4,930,330	4,970,861	4,975,536	5,030,751	5,064,329	5,144,244	5,154,986
Oakridge Mall	2,758,260	2,885,201	3,018,355	3,026,854	3,055,966	3,072,041	3,130,481	3,213,762	3,264,132

