

City of Palo Alto
Sales Tax Digest Summary
FIRST Quarter Collection of FOURTH Quarter Sales
11/15/2005 – 2/14/2006



Quarter 4, 2005

State Overview

California experienced continued growth during the year ending 4th Quarter 2005. Cash receipts growth over the prior year was 9.2% statewide. Northern California saw a 9.1% increase in cash receipts while Southern California saw a 9.2% increase.

City of Palo Alto Overview

After excluding state and county pools and adjusting for anomalies, payments to prior periods, and late payments, the City's economic growth was 4.5% for the year ended 4th Quarter 2005 over the prior year. On a quarterly basis, the economic growth was 6.0% from 4th Quarter 2004 to 4th Quarter 2005.

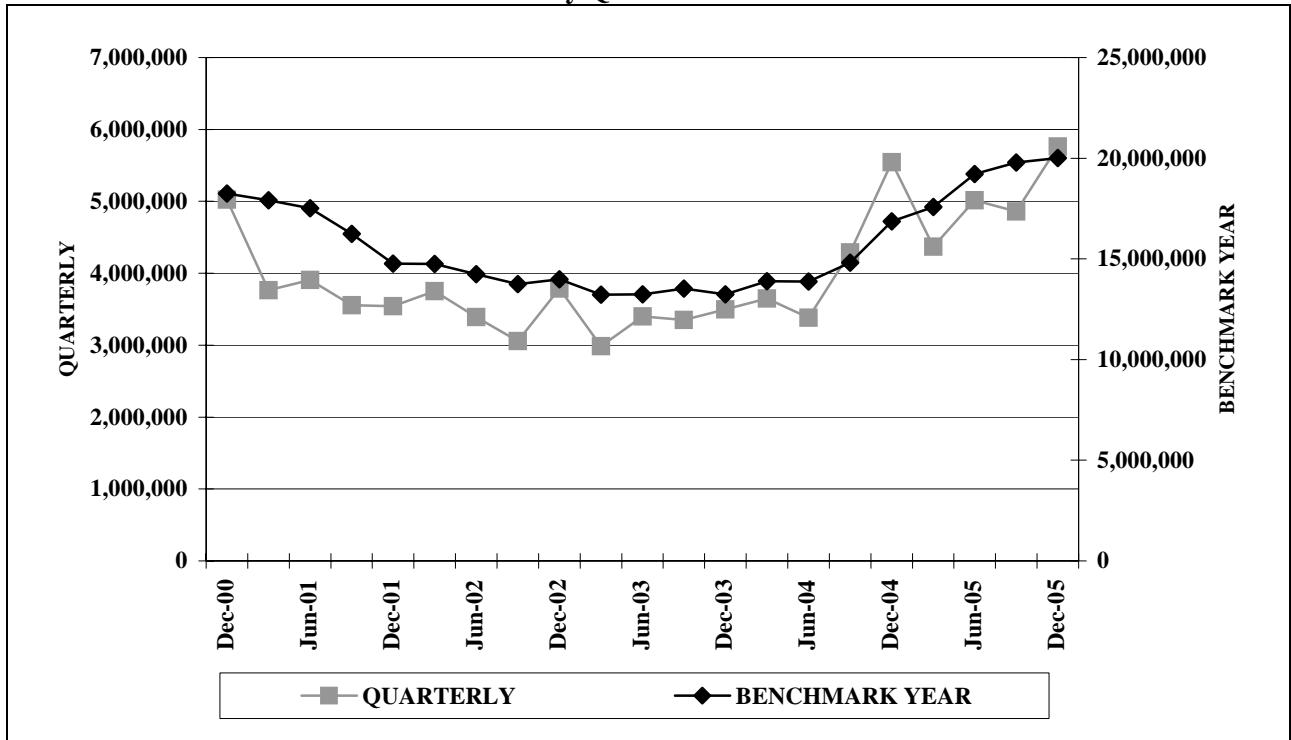
Regional Overview

The following table analyzes the economic growth experienced in each of the State's six regions. The figures have been adjusted for anomalies, payments to prior periods, late payments, etc. Values indicate the percentage change over the year.

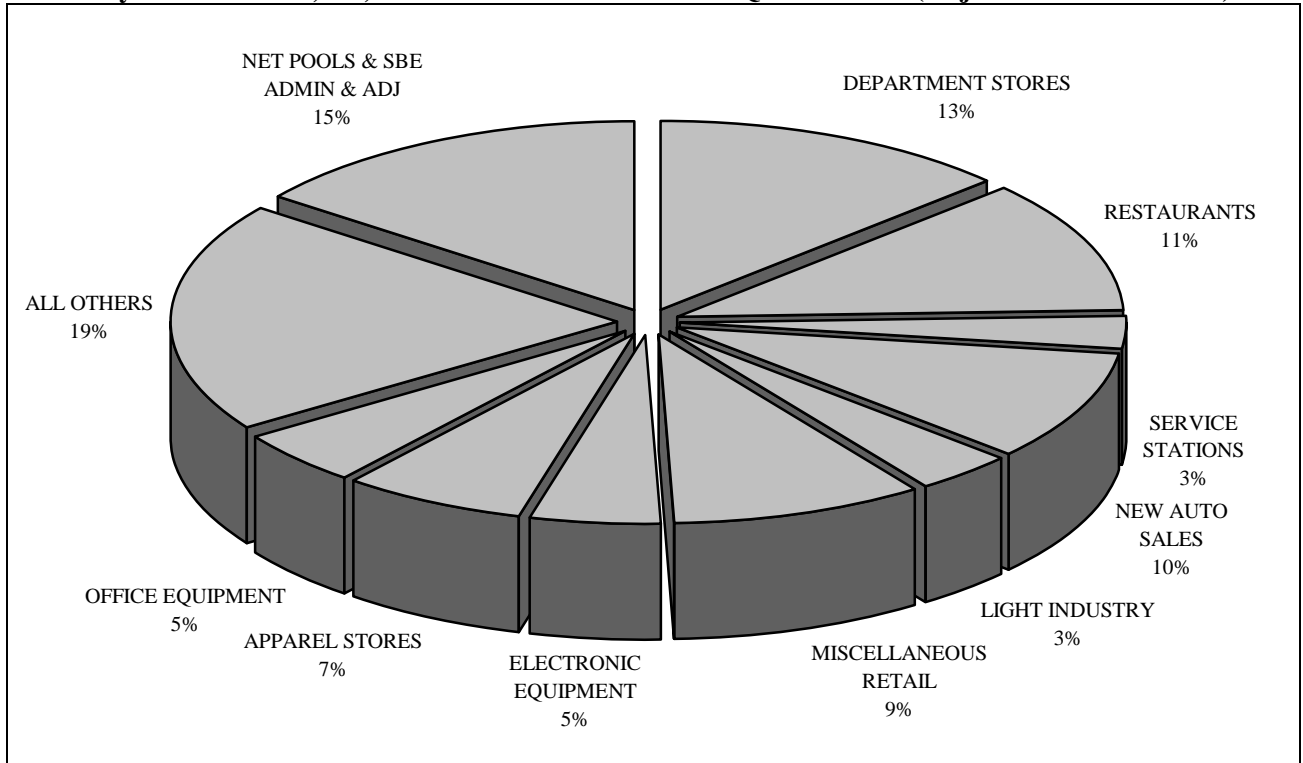
ECONOMIC CATEGORY ANALYSIS FOR YEAR ENDED 4th QUARTER 2005							
	City of Palo Alto	S.F. Bay Area	Sacramento Valley	Central Valley	South Coast	Inland Empire	North Coast
General Retail <i>% Change</i>	1.8	3.1	4.2	7.1	3.2	6.4	4.4
Food Products <i>% Change</i>	1.3	4.0	4.8	5.7	5.2	4.4	4.4
Construction <i>% Change</i>	13.0	4.7	7.5	13.9	6.3	18.0	6.1
Transportation <i>% Change</i>	4.8	4.5	5.8	10.1	5.7	10.2	9.2
Business to Business <i>% Change</i>	17.8	3.0	7.6	10.2	3.2	12.9	12.4
Miscellaneous <i>% Change</i>	-36.2	0.1	-3.3	6.6	6.8	29.5	11.3
TOTAL	4.5	3.7	5.7	9.0	4.5	10.0	6.8
THREE LARGEST ECONOMIC SEGMENTS ANALYSIS FOR YEAR ENDED 4th QUARTER 2005							
1st Largest Segment <i>% Change</i>	Department Stores 0.6	New Auto Sales 1.3	New Auto Sales 2.3	Department Stores 8.5	Restaurants 5.6	New Auto Sales 4.2	Department Stores 3.8
2nd Largest Segment <i>% Change</i>	Restaurants 1.7	Department Stores 4.2	Bldg. Matls. Wholesale 8.9	New Auto Sales 7.4	New Auto Sales 0.2	Department Stores 7.7	Bldg. Matls. Retail 6.5
3rd Largest Segment <i>% Change</i>	New Auto Sales 4.9	Restaurants 5.3	Department Stores 5.6	Bldg. Matls. Retail 11.1	Department Stores 3.7	Restaurants 4.0	New Auto Sales 10.5

City of Palo Alto

Historical Sales Tax Revenue Performance by Quarter and Benchmark Year



Total City Sales Tax \$20,004,445 for Benchmark Year 4th Quarter 2005 (Adjusted for Anomalies)



City of Palo Alto

City of Palo Alto Overview

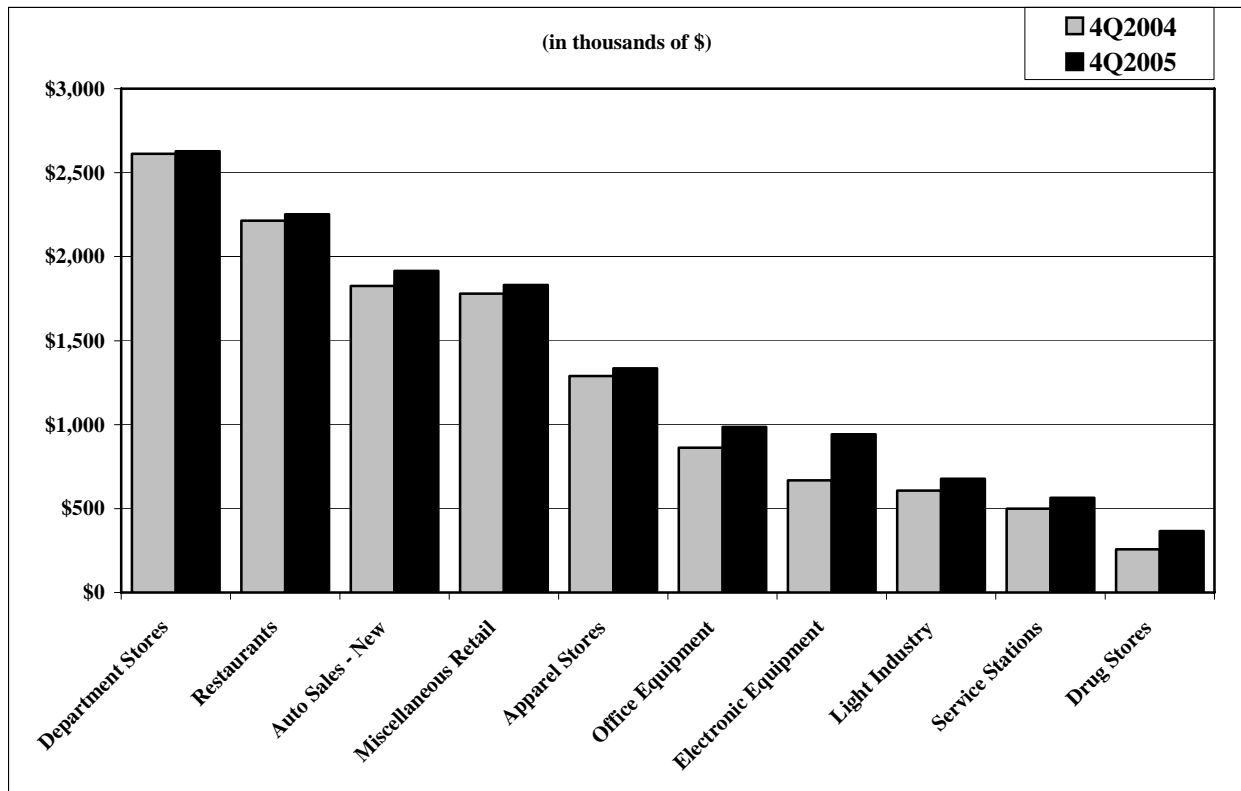
Top 25 Sales/Use Tax Contributors

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 46.7% of the jurisdiction's total sales/use tax revenue.

AGILENT TECHNOLOGIES INC.
ANDERSON HONDA
APPLE STORES
BLOOMINGDALE'S
CARLSEN MOTOR CARS
CARLSEN VOLVO
CRATE & BARREL
DOW JONES & COMPANY
FRY'S ELECTRONICS
HEWLETT-PACKARD
HOOVER PAVILION PHARMACY
INTEGRATED ARCHIVE SYSTEMS
KEEBLE & SHUCHAT PHOTOGRAPHY

LONGS DRUG STORES
MACY'S DEPARTMENT STORE
MAGNUSSEN TOYOTA
NEIMAN MARCUS DEPARTMENT STORE
NORDSTROM DEPARTMENT STORE
SYNTEX LABORATORIES
THE GAP
TIFFANY & COMPANY
VALERO SERVICE STATIONS
VARIAN INC.INSTRUMENT DIVISION
VARIAN MEDICAL SYSTEMS
WILLIAMS-SONOMA

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



City of Palo Alto

Historical Analysis by Calendar Quarter

ECONOMIC CATEGORY	%	2005/4	2005/3	2005/2	2005/1	2004/4	2004/3	2004/2	2004/1	2003/4
GENERAL RETAIL	42.3%	2,440,454	1,831,349	1,925,761	1,648,308	2,374,791	1,798,344	1,879,477	1,651,993	2,297,698
BUSINESS TO BUSINESS	15.8%	909,938	741,632	813,096	773,471	748,774	635,005	704,135	661,680	714,560
FOOD PRODUCTS	12.1%	699,421	663,004	675,189	638,902	680,434	653,786	672,340	636,566	666,115
TRANSPORTATION	12.1%	697,101	804,526	703,953	638,048	697,078	695,292	657,625	662,546	605,955
CONSTRUCTION	1.4%	79,945	67,692	77,834	75,109	75,124	70,415	60,938	59,625	53,052
MISCELLANEOUS	1.1%	65,240	32,649	32,050	46,613	40,284	190,040	22,962	23,436	28,611
NET POOLS/SBE ADMIN/ADJ.	15.1%	872,179	716,521	786,095	548,374	926,353	244,941	290,347	901,694	225,125
T O T A L S	100.0%	5,764,278	4,857,373	5,013,978	4,368,825	5,542,838	4,287,823	4,287,824	4,597,540	4,591,116
ECONOMIC SEGMENT										
DEPARTMENT STORES	17.5%	857,539	591,493	652,712	526,687	840,405	600,901	640,095	531,636	809,609
MISCELLANEOUS RETAIL	12.5%	610,048	423,713	421,031	375,225	580,473	419,133	410,037	369,626	557,557
RESTAURANTS	11.9%	581,964	559,211	570,200	540,501	565,074	550,380	566,170	531,886	543,177
AUTO SALES - NEW	9.3%	456,021	559,445	464,091	434,462	462,081	472,229	446,700	444,419	434,250
APPAREL STORES	8.3%	407,873	311,350	332,859	282,803	391,517	287,855	327,756	281,911	381,709
OFFICE EQUIPMENT	5.7%	280,477	248,959	242,520	214,396	262,188	170,750	204,227	225,753	198,513
ELECTRONIC EQUIPMENT	5.7%	276,485	176,792	228,835	259,397	153,949	160,002	182,906	169,789	187,149
LIGHT INDUSTRY	3.3%	163,065	168,688	188,941	157,651	180,349	147,569	155,964	122,271	146,987
SERVICE STATIONS	2.8%	134,941	158,099	152,370	120,045	136,373	125,389	128,693	108,160	94,748
FOOD MARKETS	2.1%	104,539	91,186	90,902	85,162	99,940	90,644	92,927	92,272	107,930
DRUG STORES	1.9%	93,139	94,720	97,650	81,422	75,868	61,856	62,150	58,568	56,963
BUSINESS SERVICES	1.4%	68,161	85,886	77,460	75,658	73,226	76,152	89,228	76,680	79,069
BLDG.MATLS-RETAIL	1.4%	66,885	57,396	65,889	64,205	64,608	61,191	52,334	50,320	44,562
LEASING	0.8%	37,964	43,057	41,197	42,829	45,854	55,889	50,660	44,314	49,797
AUTO PARTS/REPAIR	0.6%	27,829	28,803	30,024	29,526	27,208	31,014	32,011	30,661	28,633
HEALTH & GOVERNMENT	0.5%	24,653	20,405	18,338	24,858	20,903	17,142	14,208	17,699	16,267
BLDG.MATLS-WHSLE	0.3%	13,060	10,296	11,945	10,904	10,516	9,224	8,604	9,305	8,490
LIQUOR STORES	0.3%	12,918	12,607	13,738	12,687	14,784	12,754	13,243	12,408	14,983
MISCELLANEOUS OTHER	0.2%	11,175	7,348	13,712	6,951	13,454	6,898	8,754	5,737	12,320
ALL OTHER	13.6%	663,363	491,398	513,469	475,082	597,715	685,910	510,810	512,431	593,278
NET POOLS/SBE ADMIN/ADJ.	17.8%	872,179	716,521	786,095	548,374	926,353	244,941	290,347	901,694	225,125
T O T A L S	100.0%	4,892,099	4,140,852	4,227,883	3,820,451	4,616,485	4,042,882	3,997,477	3,695,846	4,365,991

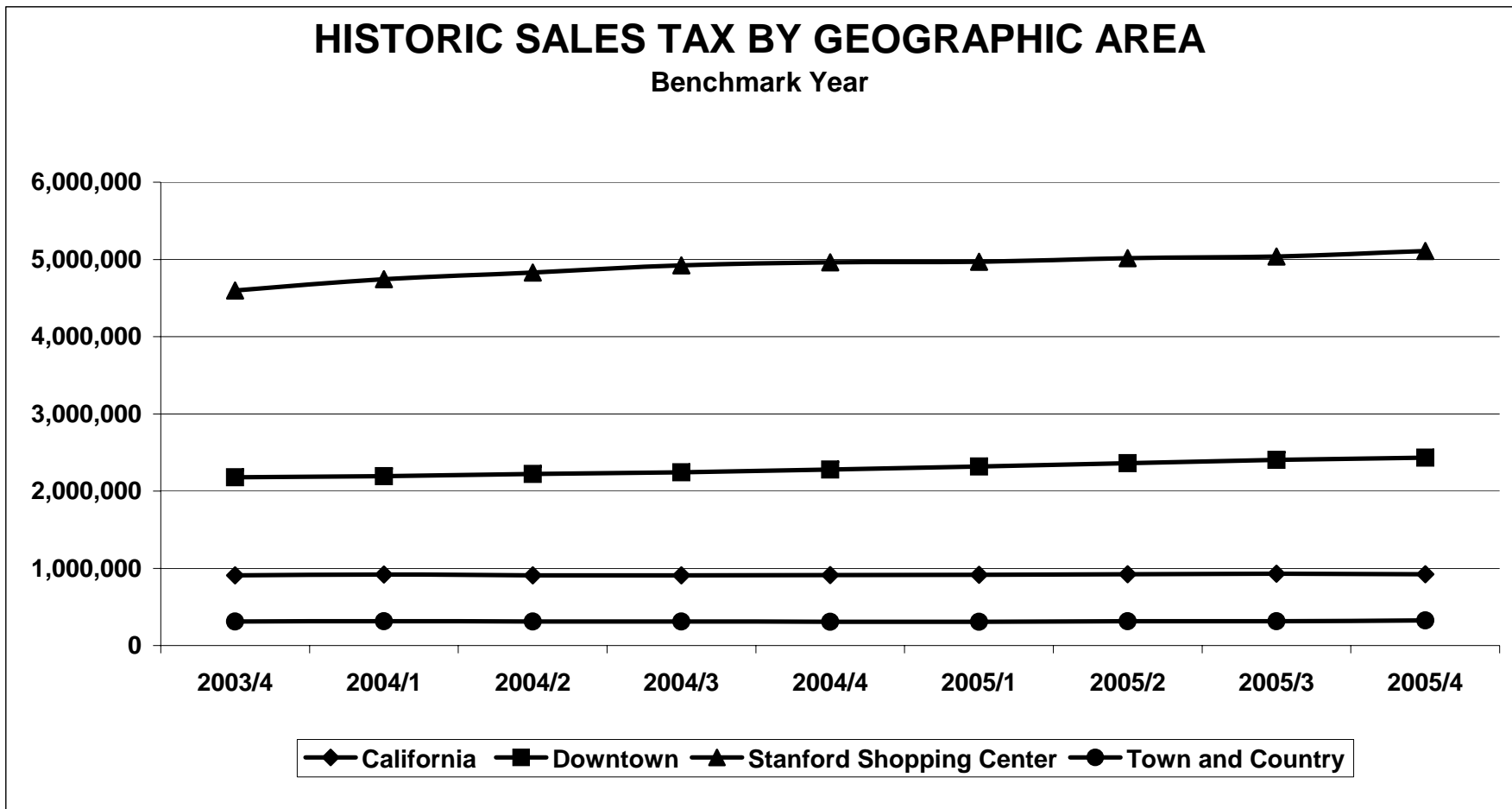
City of Palo Alto

And Selected Northern California

Jurisdiction	General Retail	Food Products	Transportation	Construction	Business to Business	Miscellaneous	2005/4	2004/4	% Chg	Gain	Gain	Decline	Decline
							Total	Total					
SAN JOSE	4.5%	5.3%	0.6%	13.5%	-5.3%	5.8%	31,060,886	30,378,752	2.2%	SERVICE STATIONS	BLDG.MATLS-WHSLE	LEASING	AUTO SALES - NEW
SACRAMENTO COUNTY	-0.1%	3.3%	-4.7%	10.8%	0.8%	-18.7%	18,087,161	17,916,177	1.0%	BLDG.MATLS-WHSLE	BLDG.MATLS-RETAIL	AUTO SALES - NEW	FURNITURE/APPLIANCE
SACRAMENTO	2.8%	6.9%	0.7%	13.1%	16.3%	-12.0%	16,204,131	15,169,668	6.8%	BLDG.MATLS-WHSLE	ELECTRONIC EQUIPMENT	AUTO SALES - NEW	MISCELLANEOUS RETAIL
ROSEVILLE	4.9%	10.7%	-0.7%	8.0%	2.9%	-20.0%	10,457,923	10,119,402	3.3%	DEPARTMENT STORES	SERVICE STATIONS	AUTO SALES - NEW	MISCELLANEOUS OTHER
SANTA CLARA	-2.1%	4.7%	-2.8%	11.4%	9.1%	1.7%	8,574,618	8,258,038	3.8%	ELECTRONIC EQUIPMENT	OFFICE EQUIPMENT	AUTO SALES - NEW	CHEMICAL PRODUCTS
SANTA ROSA	1.5%	4.6%	-3.3%	14.5%	42.6%	9.2%	8,204,860	7,807,234	5.1%	OFFICE EQUIPMENT	BLDG.MATLS-WHSLE	AUTO SALES - NEW	MISCELLANEOUS RETAIL
HAYWARD	0.3%	-8.4%	-0.4%	9.0%	-12.5%	8.2%	6,392,306	6,588,284	-3.0%	BLDG.MATLS-RETAIL	APPAREL STORES	HEAVY INDUSTRY	CHEMICAL PRODUCTS
SAN LEANDRO	-3.3%	-3.1%	-6.2%	1.7%	5.8%	-9.7%	5,103,722	5,164,173	-1.2%	ELECTRONIC EQUIPMENT	HEAVY INDUSTRY	DEPARTMENT STORES	AUTO SALES - NEW
WALNUT CREEK	2.7%	3.4%	-5.5%	15.4%	8.5%	-2.3%	4,940,329	4,882,595	1.2%	SERVICE STATIONS	DEPARTMENT STORES	AUTO SALES - NEW	BUSINESS SERVICES
CITY OF PALO ALTO *	2.8%	2.8%	0.0%	6.4%	21.5%	62.0%	4,892,097	4,616,485	6.0%	ELECTRONIC EQUIPMENT	CHEMICAL PRODUCTS	LIGHT INDUSTRY	FURNITURE/APPLIANCE
REDWOOD CITY	5.0%	5.0%	2.9%	12.6%	-12.8%	-6.1%	4,134,918	4,096,623	0.9%	BLDG.MATLS-WHSLE	DEPARTMENT STORES	OFFICE EQUIPMENT	CHEMICAL PRODUCTS
SAN MATEO	0.2%	1.8%	5.0%	2.8%	-22.5%	-9.5%	4,073,771	4,092,703	-0.5%	SERVICE STATIONS	DEPARTMENT STORES	OFFICE EQUIPMENT	MISCELLANEOUS RETAIL
MILPITAS	6.5%	3.9%	-8.3%	0.8%	34.5%	-14.3%	3,657,798	3,297,055	10.9%	ELECTRONIC EQUIPMENT	BUSINESS SERVICES	AUTO SALES - NEW	AUTO PARTS/REPAIR
BERKELEY	-1.3%	3.3%	0.3%	20.3%	-12.9%	13.0%	3,322,271	3,290,265	1.0%	SERVICE STATIONS	BLDG.MATLS-WHSLE	AUTO SALES - NEW	CHEMICAL PRODUCTS
GILROY	10.0%	2.4%	-4.8%	6.2%	0.8%	-29.3%	3,292,448	3,155,883	4.3%	DEPARTMENT STORES	APPAREL STORES	AUTO SALES - NEW	LIQUOR STORES
SOUTH SAN FRANCISCO	-9.5%	13.1%	-11.0%	14.4%	7.4%	-19.1%	2,861,297	2,830,674	1.1%	CHEMICAL PRODUCTS	BLDG.MATLS-RETAIL	MISCELLANEOUS RETAIL	AUTO SALES - NEW
ANTIOCH	4.6%	-1.6%	-5.6%	7.5%	9.1%	-12.1%	2,685,593	2,636,421	1.9%	BLDG.MATLS-RETAIL	DEPARTMENT STORES	BLDG.MATLS-WHSLE	AUTO SALES - NEW
CAMPBELL	-8.6%	1.6%	5.0%	9.8%	26.2%	35.7%	2,212,356	2,146,974	3.0%	OFFICE EQUIPMENT	BLDG.MATLS-WHSLE	FURNITURE/APPLIANCE	LIGHT INDUSTRY
LOS GATOS	10.4%	7.0%	-3.6%	24.0%	8.3%	9.6%	1,977,660	1,876,363	5.4%	MISCELLANEOUS RETAIL	ELECTRONIC EQUIPMENT	AUTO SALES - NEW	LIGHT INDUSTRY
UNION CITY	-3.8%	3.8%	5.2%	10.4%	5.4%	8.6%	1,909,094	1,852,333	3.1%	BLDG.MATLS-WHSLE	LIGHT INDUSTRY	BLDG.MATLS-RETAIL	DEPARTMENT STORES
SAN RAMON	1.5%	3.5%	14.2%	5.0%	-13.4%	807.6%	1,888,081	1,885,264	0.1%	ENERGY SALES	SERVICE STATIONS	HEAVY INDUSTRY	LIGHT INDUSTRY
ROHNERT PARK	-2.4%	4.8%	8.4%	14.7%	10.0%	-6.2%	1,885,693	1,820,355	3.6%	BLDG.MATLS-WHSLE	DEPARTMENT STORES	FURNITURE/APPLIANCE	APPAREL STORES
EMERYVILLE	-0.8%	-2.4%	28.8%	3.2%	-6.2%	112.3%	1,844,722	1,860,776	-0.9%	FURNITURE/APPLIANCE	BUSINESS SERVICES	MISCELLANEOUS RETAIL	OFFICE EQUIPMENT
PITTSBURG	-0.8%	3.3%	-4.7%	18.6%	-33.7%	-39.7%	1,838,999	1,900,214	-3.2%	BLDG.MATLS-WHSLE	SERVICE STATIONS	CHEMICAL PRODUCTS	AUTO SALES - NEW
PLEASANT HILL	-1.6%	4.9%	13.6%	35.8%	13.0%	13.2%	1,794,997	1,746,226	2.8%	APPAREL STORES	ENERGY SALES	FURNITURE/APPLIANCE	OFFICE EQUIPMENT
MENLO PARK	-10.6%	3.4%	-42.7%	17.2%	8.4%	17.3%	1,456,066	1,526,607	-4.6%	OFFICE EQUIPMENT	ELECTRONIC EQUIPMENT	AUTO SALES - NEW	MISCELLANEOUS RETAIL
EAST PALO ALTO	-2.5%	2.3%	14.8%	-0.7%	-1.3%	42.3%	629,852	634,861	-0.8%	AUTO PARTS/REPAIR	HEAVY INDUSTRY	FURNITURE/APPLIANCE	CHEMICAL PRODUCTS

City of Palo Alto

CITY OF PALO ALTO - SELECTED GEOGRAPHICAL AREAS OF THE CITY									
BENCHMARK YEAR 4TH QUARTER 2005									
	2003/4	2004/1	2004/2	2004/3	2004/4	2005/1	2005/2	2005/3	2005/4
California	907,447	917,852	909,197	908,071	912,479	915,014	922,927	930,570	924,606
Downtown	2,179,947	2,192,895	2,223,313	2,241,832	2,278,395	2,319,462	2,363,040	2,405,108	2,432,917
Stanford Shopping Center	4,595,975	4,743,942	4,828,965	4,922,008	4,962,469	4,968,818	5,014,917	5,037,552	5,109,928
Town and Country	312,032	316,140	312,739	313,036	308,254	308,119	313,627	315,489	326,693



City of Palo Alto

CITY OF PALO - REGIONAL SHOPPING CENTER COMPARISON BENCHMARK YEAR 4TH QUARTER 2005

	2003/4	2004/1	2004/2	2004/3	2004/4	2005/1	2005/2	2005/3	2005/4
Valley Fair	5,357,788	5,452,052	5,535,331	5,619,889	5,738,060	5,813,254	5,928,321	6,039,411	6,180,111
Santana Row	1,063,124	1,186,820	1,291,309	1,362,377	1,431,447	1,478,726	1,526,796	1,596,578	1,653,046
Hillsdale	2,301,710	2,322,320	2,319,159	2,319,485	2,323,619	2,330,680	2,371,786	2,414,748	2,438,079
Stanford Shopping Center	4,595,975	4,743,942	4,828,965	4,922,008	4,962,469	4,968,818	5,014,917	5,037,552	5,109,928
Oakridge Mall	2,328,162	2,465,742	2,594,247	2,729,080	2,740,351	2,771,650	2,802,252	2,862,933	2,939,008

HISTORIC SALES TAX BY GEOGRAPHIC AREA

Benchmark Year

