



City of Palo Alto Non-confidential Sales Tax Digest Summary

2nd Quarter 2005 Collection of 1st Quarter 2005 Sales
2/12/2005 – 5/12/2005



Quarter 1, 2005

State Overview

California experienced continued growth during the year ended 1st Quarter 2005. Cash receipts were up a total 7.5% statewide over the prior year. Northern California saw a 6.8% increase in cash receipts while Southern California saw an 8.0% increase.

City of Palo Alto Overview

After adjusting for anomalies, payments to prior periods, and late payments, the City's economic growth was 4.3% for the year ended 1st Quarter 2005 over the prior year. On a quarterly basis, the economic growth was 1.3% from 1st Quarter 2004 to 1st Quarter 2005.

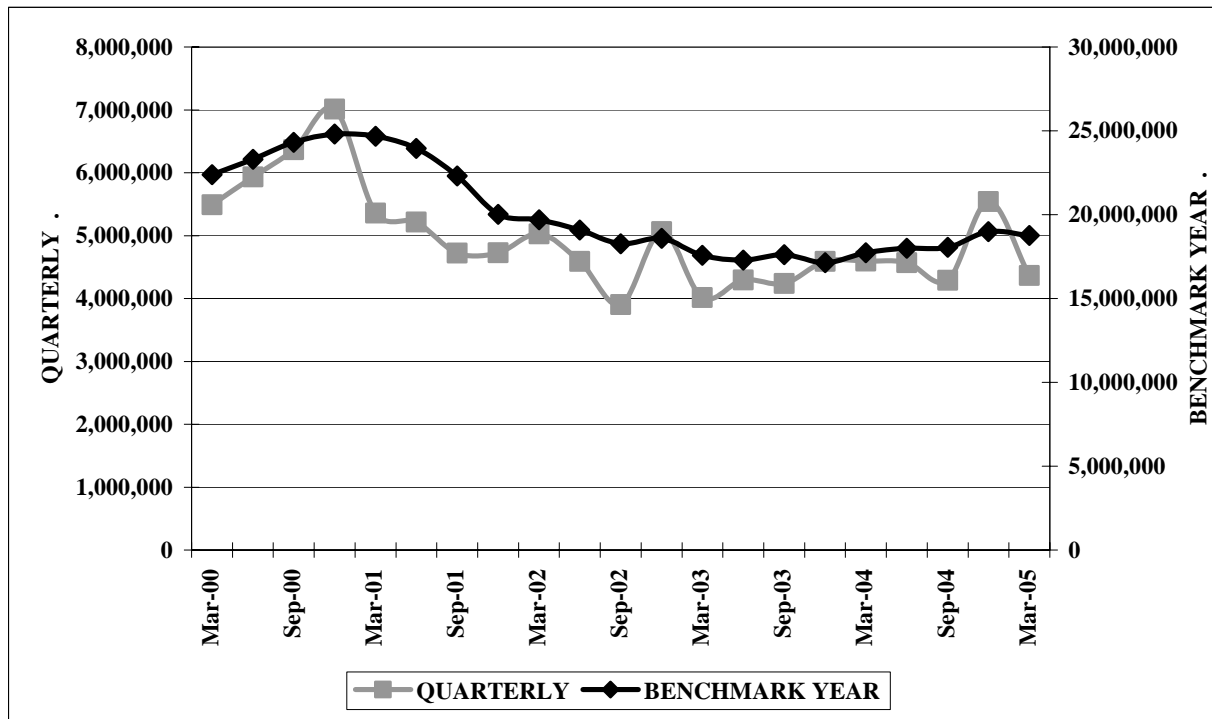
Regional Overview

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

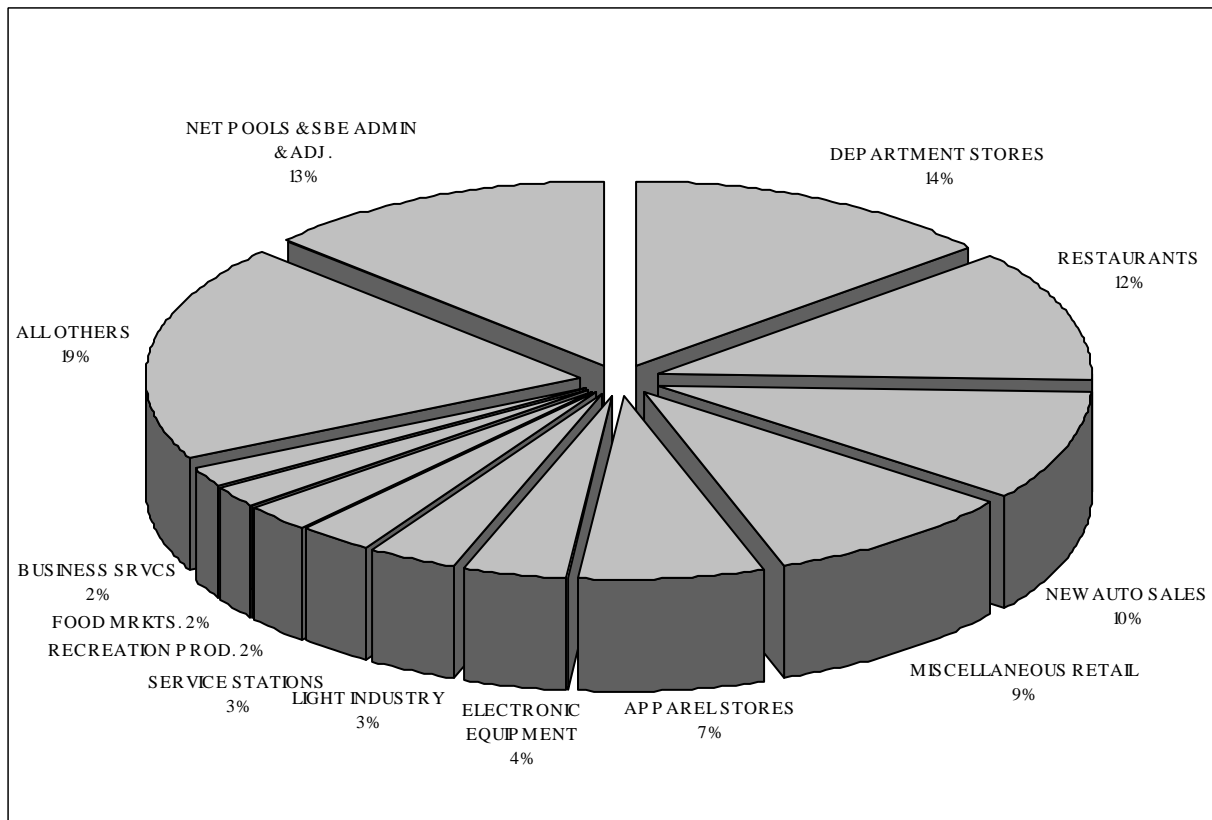
ECONOMIC CATEGORY ANALYSIS FOR BENCHMARK YEAR ENDED 1 ST QUARTER 2005							
	City of Palo Alto	North Coast	S.F. Bay Area	South Coast	Inland Empire	Sacramento Valley	Central Valley
General Retail % Change	3.8	4.3	4.2	5.1	5.2	6.9	6.3
Food Products % Change	0.6	3.4	3.6	4.9	6.1	3.3	4.9
Construction % Change	26.5	14.9	6.9	8.9	13.1	6.5	11.6
Transportation % Change	1.3	7.3	4.1	6.2	9.4	5.9	7.4
Business to Business % Change	4.0	9.9	0.2	3.9	8.7	5.1	14.4
Miscellaneous % Change (low \$ base)	172.5	12.1	2.5	1.2	-6.0	1.0	-7.0
TOTAL	4.3	7.2	3.5	5.4	7.7	5.8	7.8
THREE LARGEST ECONOMIC SEGMENTS ANALYSIS FOR BENCHMARK YEAR ENDED 1 ST QUARTER 2005							
		North Coast	S.F. Bay Area	South Coast	Inland Empire	Sacramento Valley	Central Valley
1st Largest Segment % Change	Department Stores 6.8	Department Stores 4.8	New Auto Sales 0.2	New Auto Sales 2.0	New Auto Sales 7.9	New Auto Sales 5.7	Department Stores 9.2
2nd Largest Segment % Change	Restaurants 1.5	New Auto Sales 2.6	Restaurants 4.7	Restaurants 5.1	Restaurants 6.4	Department Stores 10.7	New Auto Sales 4.5
3rd Largest Segment % Change	New Auto Sales -3.8	Bldg. Matls. Retail 14.0	Department Stores 6.1	Department Stores 8.1	Department Stores 8.2	Bldg. Matls. Wholesale 10.3	Restaurants 5.5

City of Palo Alto

Historical Sales Tax Revenue Performance by Quarter and Benchmark Year



Total City Sales Tax \$18,767,826 for Benchmark Year 1st Quarter 2005 (Adjusted for Anomalies)



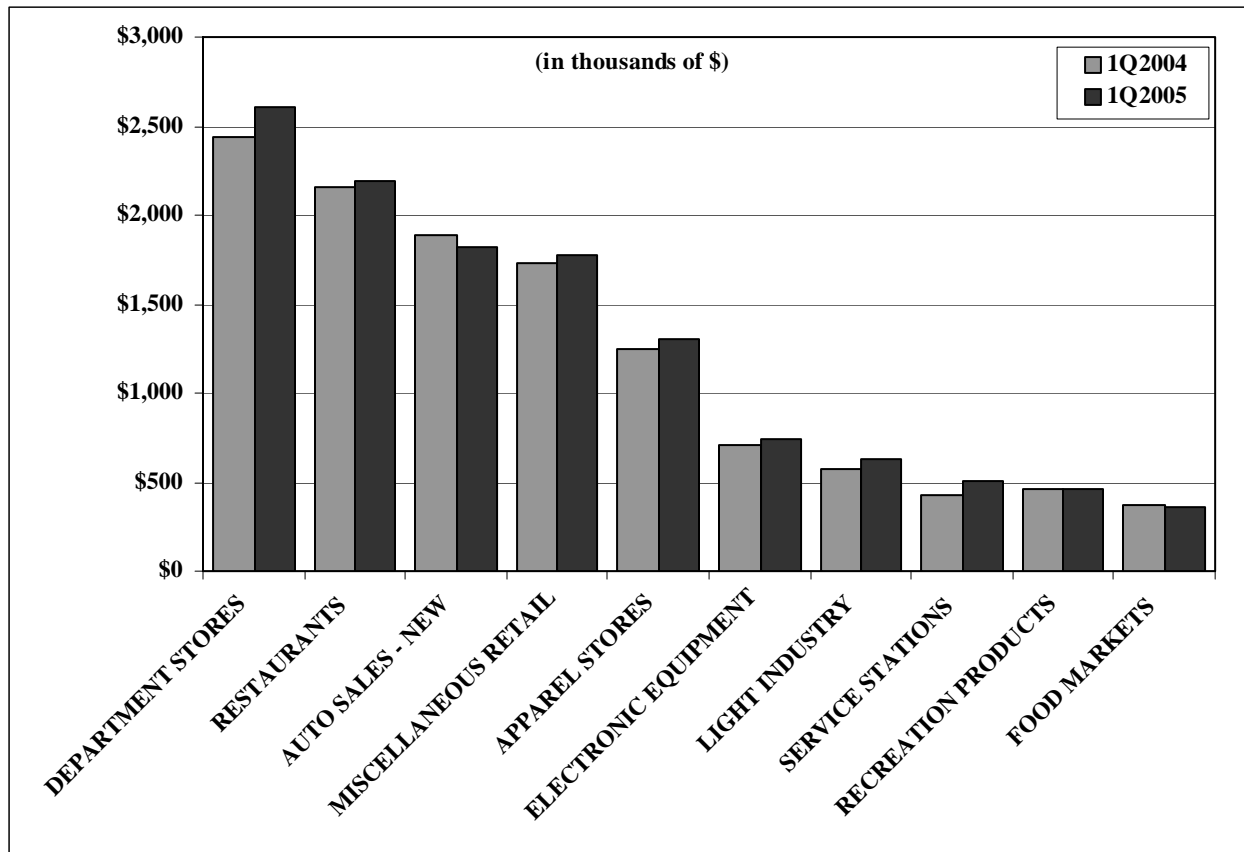
City of Palo Alto

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 46.9% of the jurisdiction's total sales/use tax revenue.

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

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



City of Palo Alto

Historical Analysis by Calendar Quarter

ECONOMIC CATEGORY	%	2005/1	2004/4	2004/3	2004/2	2004/1	2003/4	2003/3	2003/2	2003/1
GENERAL RETAIL	38%	1,646,033	2,365,156	1,802,953	1,887,135	1,659,754	2,299,466	1,688,859	1,772,875	1,456,877
BUSINESS TO BUSINESS	17%	740,785	734,702	625,638	695,902	655,926	710,203	658,457	665,356	737,734
TRANSPORTATION	15%	636,029	694,053	693,712	661,656	662,486	605,952	712,889	668,917	647,006
FOOD PRODUCTS	14%	610,051	675,876	647,384	670,741	635,028	666,024	647,202	639,644	613,764
CONSTRUCTION	2%	72,234	74,877	61,953	53,088	51,356	53,052	51,681	51,108	41,876
MISCELLANEOUS	1%	30,787	33,257	189,854	21,761	23,257	27,676	22,253	27,987	19,114
NET POOLS/SBE ADMIN/ADJ.	14%	632,904	964,916	266,330	578,059	909,730	228,740	458,547	467,588	501,418
T O T A L S	100%	4,368,823	5,542,837	4,287,824	4,568,342	4,597,537	4,591,113	4,239,888	4,293,475	4,017,789
ECONOMIC SEGMENT										
DEPARTMENT STORES	12%	526,687	840,405	600,901	640,095	531,636	806,466	533,276	570,483	430,499
RESTAURANTS	12%	516,034	562,985	546,132	566,127	533,681	545,547	544,180	536,508	514,220
AUTO SALES – NEW	10%	434,407	462,081	472,229	446,700	444,419	434,250	530,335	477,798	457,370
MISCELLANEOUS RETAIL	9%	382,129	565,819	420,900	409,461	372,756	557,929	395,866	401,767	345,521
APPAREL STORES	6%	283,284	392,483	290,689	331,731	285,105	384,778	275,659	306,829	251,245
ELECTRONIC EQUIPMENT	6%	251,847	150,180	155,748	182,906	169,789	187,149	195,871	151,641	155,851
LIGHT INDUSTRY	3%	147,451	180,597	149,675	155,501	121,226	146,429	132,432	175,502	132,811
SERVICE STATIONS	3%	120,263	135,889	125,389	128,693	108,160	94,748	109,263	112,468	99,688
RECREATION PRODUCTS	2%	92,826	128,251	114,112	125,247	97,464	127,674	115,689	124,803	93,641
DRUG STORES	2%	81,417	75,868	61,856	62,150	58,568	56,963	60,683	58,211	52,255
FOOD MARKETS	2%	81,096	97,471	88,847	91,394	88,939	105,469	90,947	90,357	87,866
BUSINESS SERVICES	2%	75,966	72,438	77,271	97,933	77,426	81,129	74,787	90,624	87,583
BLDG.MATLS-RETAIL	1%	60,977	62,292	50,815	41,580	40,442	42,524	40,143	38,741	31,754
LEASING	1%	42,308	45,842	55,535	51,306	47,996	52,552	52,728	53,079	63,149
AUTO PARTS/REPAIR	1%	28,391	26,083	30,678	32,011	30,660	28,630	29,472	31,086	29,002
HEALTH & GOVERNMENT	1%	24,379	19,878	17,142	13,266	17,699	15,762	15,224	14,975	12,590
LIQUOR STORES	0%	12,369	14,784	12,397	13,220	12,408	14,983	12,023	12,772	11,678
BLDG.MATLS-WHSLE	0%	11,257	12,585	11,138	11,508	10,914	10,528	11,538	12,367	10,122
MISCELLANEOUS OTHER	0%	6,408	12,379	6,712	8,495	5,558	11,914	7,029	13,012	6,524
<i>ALL OTHER</i>	13%	556,423	719,611	733,328	580,959	632,961	656,949	554,196	552,864	643,002
NET POOLS/SBE ADMIN/ADJ.	14%	632,904	964,916	266,330	578,059	909,730	228,740	458,547	467,588	501,418
T O T A L S	100%	4,368,823	5,542,837	4,287,824	4,568,342	4,597,537	4,591,113	4,239,888	4,293,475	4,017,789

City of Palo Alto
And Selected Northern California

Jurisdiction	General Retail	Food Products	Transportation	Construction	Business to Business	Miscellaneous	2005/1	2004/1	% Chg	Gain	Gain	Decline	Decline
							Total	Total					
San Jose	2.2%	-2.1%	2.5%	-11.2%	-7.3%	-4.8%	25,198,405	25,776,711	-2.2%	Department Stores	Service Stations	Electronic Equipment	Bldg.Matls-Retail
Sacramento County	4.7%	-1.0%	3.8%	-3.6%	0.2%	8.0%	15,604,148	15,367,914	1.5%	Department Stores	Service Stations	Bldg.Matls-Retail	Apparel Stores
Sacramento	8.9%	0.6%	-4.7%	-5.4%	4.7%	30.4%	13,215,325	12,956,429	2.0%	Department Stores	Energy Sales	Auto Sales - New	Bldg.Matls-Retail
Roseville	11.4%	5.0%	8.2%	-10.7%	-0.2%	-2.5%	8,751,374	8,259,276	6.0%	Auto Sales - New	Department Stores	Bldg.Matls-Retail	Office Equipment
Santa Clara	14.3%	-2.8%	-10.0%	-4.2%	-14.7%	0.6%	6,848,340	7,303,615	-6.2%	Department Stores	Furniture/Appliance	Electronic Equipment	Auto Sales - New
Santa Rosa	2.6%	-1.1%	-3.2%	10.5%	20.5%	5.0%	6,491,580	6,323,321	2.7%	Office Equipment	Department Stores	Auto Sales - New	Apparel Stores
Hayward	6.4%	2.3%	-12.5%	-3.6%	-12.3%	51.5%	5,574,486	5,938,005	-6.1%	Department Stores	Bldg.Matls-Whsle	Heavy Industry	Auto Sales - New
San Leandro	4.7%	-0.3%	-8.0%	-0.2%	3.1%	-8.8%	4,450,905	4,439,056	0.3%	Bldg.Matls-Whsle	Department Stores	Bldg.Matls-Retail	Auto Sales - New
Walnut Creek	2.8%	2.1%	-4.1%	4.7%	4.7%	3.4%	3,969,377	3,949,196	0.5%	Miscellaneous Retail	Leasing	Auto Sales - New	Recreation Products
City Of Palo Alto	-0.8%	-3.9%	-4.0%	40.7%	12.9%	32.4%	3,735,917	3,687,807	1.3%	Electronic Equipment	Light Industry	Misc. Vehicle Sales	Furniture/Appliance
Redwood City	6.7%	7.5%	11.6%	-5.6%	-18.8%	26.6%	3,549,323	3,510,476	1.1%	Auto Sales - New	Light Industry	Office Equipment	Apparel Stores
San Mateo	1.4%	1.8%	-6.8%	-17.0%	-9.7%	-1.1%	3,241,515	3,330,527	-2.7%	Department Stores	Miscellaneous Retail	Bldg.Matls-Retail	Leasing
Berkeley	-7.7%	-0.2%	0.5%	-11.2%	-16.7%	2.7%	2,855,652	3,029,600	-5.7%	Department Stores	Service Stations	Furniture/Appliance	Bldg.Matls-Whsle
Milpitas	2.2%	-1.6%	-9.4%	-20.2%	-5.5%	-2.5%	2,663,147	2,788,246	-4.5%	Office Equipment	Furniture/Appliance	Electronic Equipment	Bldg.Matls-Retail
Gilroy	20.4%	8.5%	5.7%	-14.1%	-16.0%	8.0%	2,574,317	2,419,825	6.4%	Department Stores	Miscellaneous Retail	Bldg.Matls-Retail	Energy Sales
South San Francisco	-1.3%	-1.1%	-4.5%	2.9%	10.0%	-0.1%	2,504,004	2,455,425	2.0%	Chemical Products	Bldg.Matls-Retail	Bldg.Matls-Whsle	Business Services
Antioch	7.0%	-5.3%	1.7%	29.2%	7.3%	15.1%	2,082,857	1,968,099	5.8%	Bldg.Matls-Whsle	Department Stores	Food Markets	Misc. Vehicle Sales
Campbell	-10.1%	-1.3%	6.5%	-15.1%	-37.6%	20.5%	1,818,442	2,103,392	-13.5%	Electronic Equipment	Service Stations	Light Industry	Bldg.Matls-Retail
Union City	4.1%	-6.9%	6.2%	-6.8%	-4.6%	2.1%	1,651,815	1,683,570	-1.9%	Bldg.Matls-Whsle	Miscellaneous Retail	Bldg.Matls-Retail	Food Processing Eqp
Los Gatos	18.7%	0.9%	13.1%	-3.6%	-3.0%	65.5%	1,631,983	1,466,608	11.3%	Miscellaneous Retail	Auto Sales - New	Leasing	Auto Parts/Repair
Pittsburg	1.0%	-0.6%	15.1%	-20.5%	22.6%	-12.4%	1,615,647	1,571,279	2.8%	Auto Sales - New	Department Stores	Bldg.Matls-Retail	Miscellaneous Retail
Emeryville	2.5%	-2.1%	10.8%	-31.1%	-5.6%	-65.4%	1,602,428	1,700,326	-5.8%	Furniture/Appliance	Department Stores	Bldg.Matls-Retail	Apparel Stores
San Ramon	3.9%	0.8%	0.5%	-23.0%	-7.0%	-31.4%	1,549,737	1,630,711	-5.0%	Heavy Industry	Department Stores	Office Equipment	Bldg.Matls-Retail
Rohnert Park	8.4%	0.5%	-1.9%	-24.9%	-11.7%	99.5%	1,468,015	1,519,253	-3.4%	Department Stores	Furniture/Appliance	Bldg.Matls-Retail	Office Equipment
Pleasant Hill	-2.8%	-6.2%	9.3%	-3.0%	-11.2%	-18.4%	1,424,149	1,476,645	-3.6%	Department Stores	Service Stations	Business Services	Apparel Stores
Menlo Park	0.7%	-1.8%	-17.4%	-15.2%	6.3%	-1.4%	1,293,168	1,320,156	-2.0%	Office Equipment	Light Industry	Auto Sales - New	Leasing
East Palo Alto	0.7%	-8.3%	-1.3%	-31.6%	1.1%	-75.2%	589,237	685,844	-14.1%	Furniture/Appliance	Service Stations	Bldg.Matls-Retail	Restaurants