



City of Palo Alto
Sales Tax Digest Summary
 1st Quarter 2005 Collection of 4th Quarter 2004 Sales
 11/13/2004 – 02/11/2005



Quarter 4, 2004

State Overview

The overall sales & use tax for California increased 11.6% for the 4th Quarter of 2004 compared to the same quarter of 2003. Northern California experienced a taxable sales increase of 10.5% for the 4th Quarter 2004 compared to the same quarter of 2003.

City of Palo Alto Overview

Adjusted for aberrations, the City's sales tax revenue grew by 3.8 percent comparing the fourth quarter of 2004 to the fourth quarter of 2003. Unadjusted for aberrations, sales tax revenues for calendar year 2004 grew by 4.9 percent compared to calendar year 2003. This is slightly ahead of the Bay Area average of 4.4%.

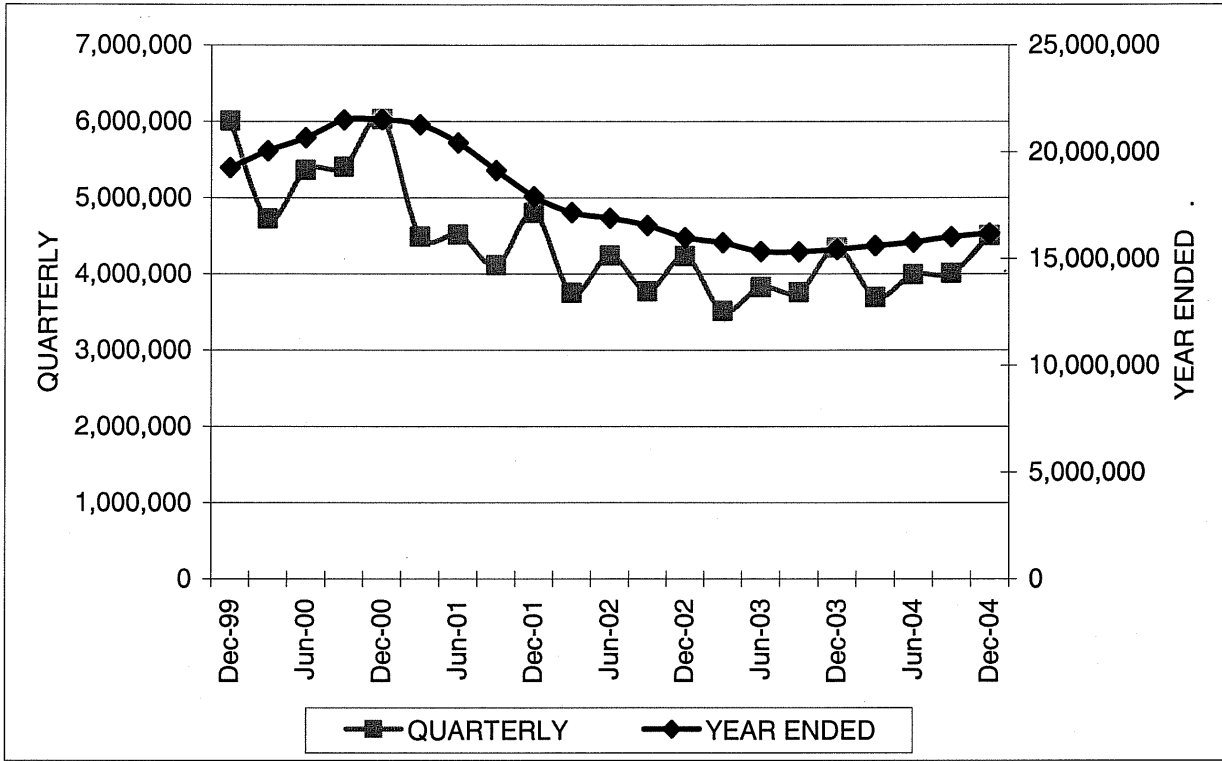
Regional Overview

	City of Palo Alto	North Coast	S.F. Bay Area	South Coast	Inland Empire	Sacramento Valley	Central Valley
	% Δ Yr	% Δ Yr	% Δ Yr	% Δ Yr	% Δ Yr	% Δ Yr	% Δ Yr
General Retail	6.5	5.0	4.2	6.1	6.9	6.0	6.2
Food Products	1.9	3.7	3.7	5.1	5.8	2.4	5.6
Construction	16.5	15.8	12.3	17.0	24.0	11.4	21.0
Transportation	3.0	8.1	5.2	7.6	11.3	5.2	7.1
Business to Business	-1.2	4.0	1.1	3.2	6.5	2.6	12.0
Miscellaneous	167.1	2.1	1.9	-0.9	-6.2	-1.5	-0.9
Total	4.9	7.2	4.4	6.7	9.5	5.5	8.8
Segment with Highest % Growth	Used Auto Sales	Food Process. Eqp	Energy Sales	Bldg. Matls. Retail	Energy Sales	Business Services	Energy Sales
Segment with 2 nd Highest % Growth	Miscellaneous Vehicle Sales	Energy Sales	Used Auto Sales	Service Stations	Chemical Products	Energy Sales	Bldg. Matls. Retail
Segment with 3 rd Highest % Growth	Bldg. Matls. Retail	Florist / Nursery	Bldg. Matls. Retail	Bldg. Matls. Wholesale	Bldg. Matls. Retail	Bldg. Matls. Wholesale	Misc. Vehicle Sale
Segment with Greatest % Decline	Miscellaneous Other	Liquor Stores	Business Services	Business Services	Electronic Equipment	Food Process Eqp.	Electronic Equipment
Segment with 2 nd Greatest % Decline	Leasing	Business Services	Leasing	Drug Stores	Business Services	Leasing	Business Services
Segment with 3 rd Greatest % Decline	New Auto Sales	Office Equipment	Chemical Products	Auto Parts & Repair	Health & Government	Auto Parts & Repair	Health & Government
Segment with the Most Taxable Sales	Department Stores	Department Stores	New Auto Sales	New Auto Sales	New Auto Sales	New Auto Sales	Department Stores
Segment with 2 nd Most Taxable Sales	Restaurants	New Auto Sales	Restaurants	Restaurants	Restaurants	Department Stores	New Auto Sales
Segment with 3 rd Most Taxable Sales	New Auto Sales	Bldg. Matls. Retail	Department Stores	Department Stores	Department Stores	Bldg. Matls. Wholesale	Restaurants

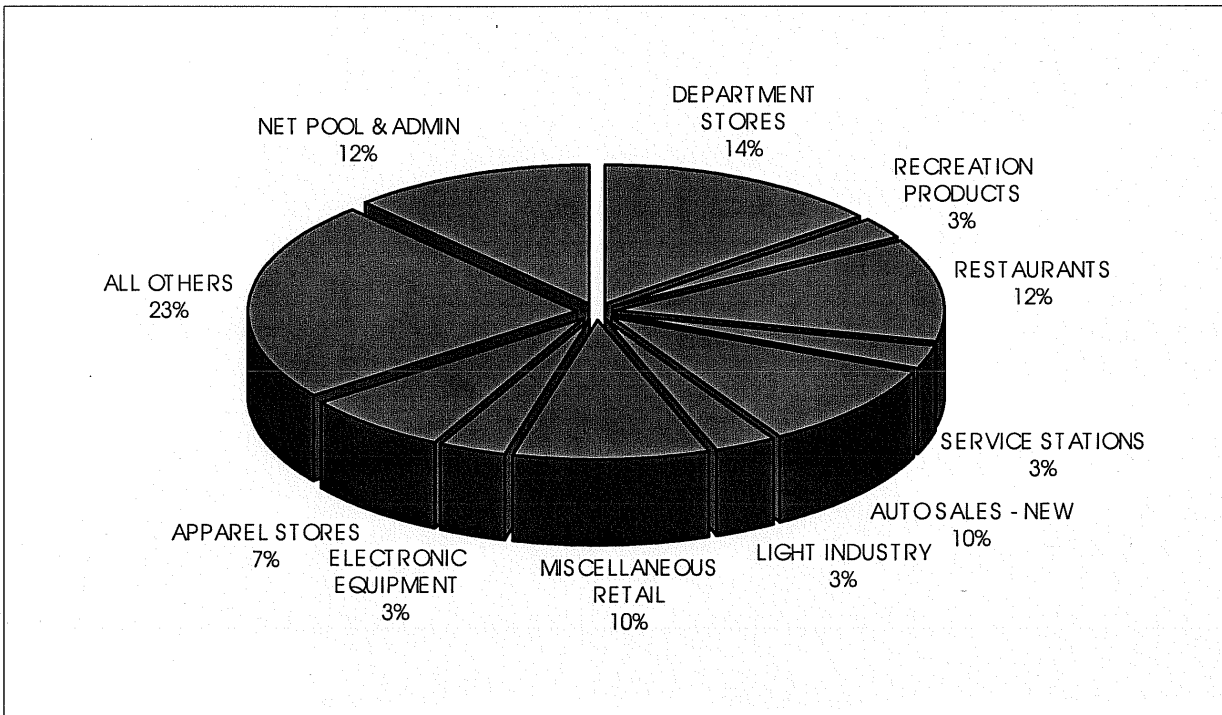
(% Δ Yr – Percentage Change Comparing Year Ended 2004Q4 to Year Ended 2003Q4)

City of Palo Alto

Historical Sales Tax Revenue Performance by Quarter and Year Ending Quarter



Total City Sales Tax \$18,996,540 for Year Ended 4th Quarter 2004



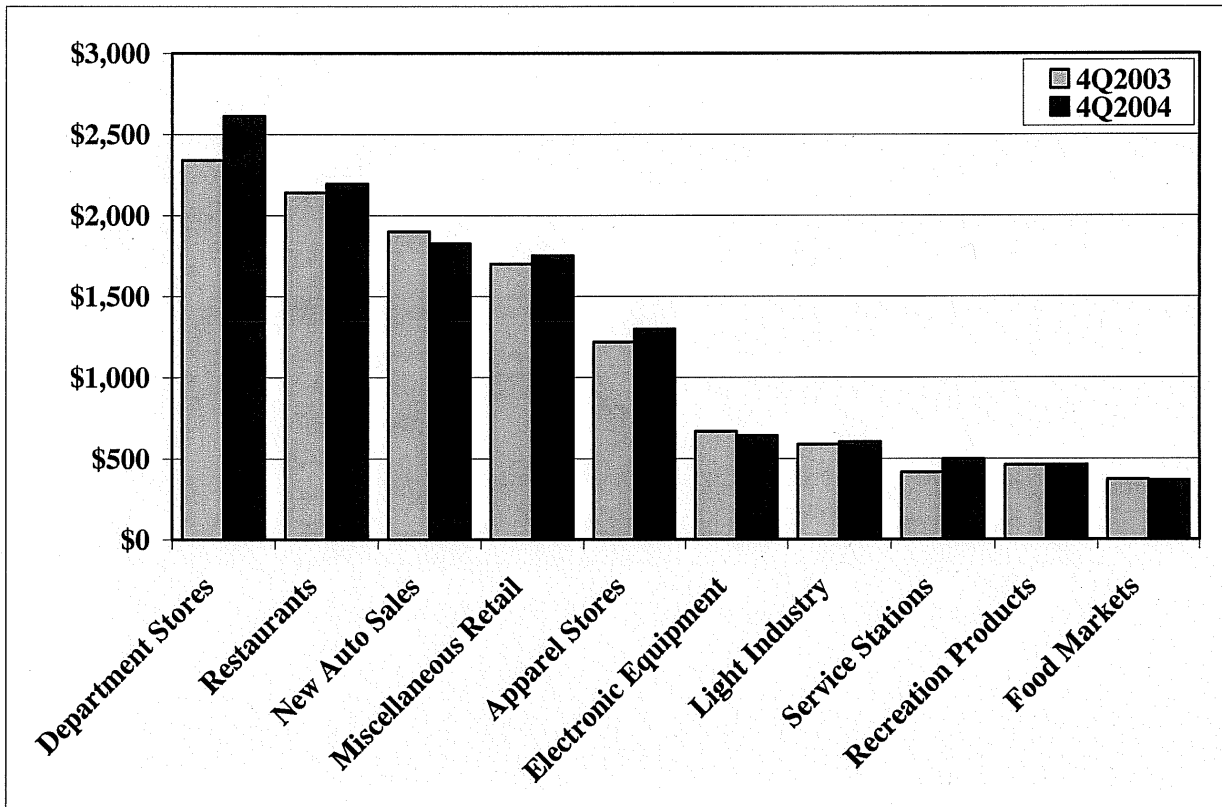
City of Palo Alto

Top 25 Sales/Use Tax Contributors in Alphabetical Order for Year Ended 4th Quarter 2004

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 47.1% of the jurisdiction's total sales/use tax revenue.

- | | |
|------------------------------|---------------------------------|
| ANDERSON HONDA | MAGNUSSEN AUBURN DODGE |
| 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 Ten Largest Business Segments



City of Palo Alto

Historical Analysis by Quarter

ECONOMIC CATEGORY	%	2004/4	2004/3	2004/2	2004/1	2003/4	2003/3	2003/2	2003/1	2002/4
GENERAL RETAIL	52.1	2,345,848	1,795,147	1,886,212	1,659,286	2,298,214	1,688,613	1,772,594	1,456,039	2,190,609
BUSINESS TO BUSINESS	15.8	709,716	624,853	697,433	660,813	688,854	635,741	666,218	733,922	645,681
TRANSPORTATION	15.4	695,283	693,150	661,656	662,486	605,952	712,889	668,917	647,006	625,672
FOOD PRODUCTS	14.7	663,635	644,532	670,633	634,970	666,015	646,414	639,644	613,743	665,372
CONSTRUCTION	1.4	63,967	61,441	53,570	51,356	53,052	51,681	51,108	41,876	70,442
MISCELLANEOUS	0.6	24,860	190,312	21,883	23,396	27,762	22,290	28,149	19,315	35,009
T O T A L S	100.0	4,503,309	4,009,435	3,991,387	3,692,307	4,339,849	3,757,628	3,826,630	3,511,901	4,232,785
ECONOMIC SEGMENT										
DEPARTMENT STORES	18.7	840,397	600,901	640,095	531,636	806,466	533,276	570,483	430,499	748,174
MISCELLANEOUS RETAIL	12.3	551,944	417,303	409,112	372,227	557,209	395,722	401,671	344,769	541,307
RESTAURANTS	12.2	551,397	544,215	566,372	533,542	545,900	543,688	536,870	514,570	543,903
AUTO SALES - NEW	10.3	462,077	471,983	446,700	444,419	434,250	530,335	477,798	457,370	424,433
APPAREL STORES	8.7	390,962	290,674	331,759	285,064	384,699	275,659	306,822	251,221	367,539
LIGHT INDUSTRY	3.9	177,507	149,836	155,576	121,123	146,565	132,460	175,463	132,680	171,711
SERVICE STATIONS	3.0	135,889	125,389	128,693	108,160	94,748	109,263	112,468	99,688	94,997
ELECTRONIC EQUIPMENT	3.0	135,861	155,269	182,424	169,789	187,149	172,871	151,641	155,851	76,579
RECREATION PRODUCTS	2.8	128,140	113,416	124,466	97,426	127,340	115,689	124,687	93,641	127,388
FOOD MARKETS	2.2	97,388	88,408	91,041	89,020	105,107	90,651	89,995	87,495	106,756
DRUG STORES	1.7	75,868	61,856	62,150	58,568	56,963	60,683	58,211	52,255	61,073
BUSINESS SERVICES	1.6	70,777	72,945	95,532	75,337	75,218	73,808	89,712	81,192	96,140
BLDG.MATLS-RETAIL	1.2	51,997	50,303	42,062	40,442	42,524	40,143	38,741	31,754	54,956
LEASING	1.0	45,138	55,652	51,371	49,184	52,552	52,728	54,283	64,408	49,390
AUTO PARTS/REPAIR	0.6	27,320	30,631	32,011	30,660	28,630	29,472	31,086	29,002	29,211
LIQUOR STORES	0.3	14,214	11,901	13,220	12,408	14,983	12,023	12,772	11,678	14,693
HEALTH & GOVERNMENT	0.3	13,764	17,687	13,388	17,839	15,848	15,261	15,142	12,791	15,975
BLDG.MATLS-WHSL	0.3	11,970	11,138	11,508	10,914	10,528	11,538	12,367	10,122	15,486
MISCELLANEOUS OTHER	0.2	11,096	6,625	8,495	5,557	11,914	7,029	13,007	6,524	13,734
ALL OTHER	15.8	709,603	733,303	585,412	638,992	641,256	555,329	553,411	644,391	679,340
T O T A L S	100.0	4,503,309	4,009,435	3,991,387	3,692,307	4,339,849	3,757,628	3,826,630	3,511,901	4,232,785

City of Palo Alto

City Quarterly Comparison of 4th Quarter 2004 to 4th Quarter 2003

Jurisdiction	2004/4 Total						2003/4 Total % Chng						Gain		Decline	
	General Retail	Food Products	Transportation	Construction	Business to Business	Miscellaneous	Gain	Decline	Gain	Decline	Gain	Decline	Gain	Decline	Gain	Decline
SAN JOSE	2.8%	-0.3%	12.9%	1.5%	-3.9%	-13.1%	29,519,528	28,793,581	2.5%	LEASING	SERVICE STATIONS	ELECTRONIC EQUIPMENT	SERVICE STATIONS	ELECTRONIC EQUIPMENT	SERVICE STATIONS	OFFICE EQUIPMENT
SACRAMENTO CO.	1.7%	1.9%	14.5%	1.6%	-3.4%	-8.4%	17,442,901	16,753,355	4.1%	AUTO SALES - NEW	SERVICE STATIONS	OFFICE EQUIPMENT	SERVICE STATIONS	OFFICE EQUIPMENT	SERVICE STATIONS	MISCELLANEOUS RETAIL
SACRAMENTO	4.5%	1.8%	0.5%	9.0%	4.2%	-7.2%	14,696,955	14,159,168	3.8%	DEPARTMENT STORES	SERVICE STATIONS	LEASING	SERVICE STATIONS	LEASING	SERVICE STATIONS	AUTO SALES - NEW
ROSEVILLE	11.7%	8.4%	15.2%	6.2%	18.4%	37.9%	9,993,531	8,856,563	12.8%	AUTO SALES - NEW	DEPARTMENT STORES	AUTO SALES - USED	DEPARTMENT STORES	AUTO SALES - USED	DEPARTMENT STORES	CHEMICAL PRODUCTS
SANTA CLARA	4.8%	1.7%	2.9%	4.2%	-6.2%	-1.2%	7,905,647	7,937,322	-0.4%	APPAREL STORES	SERVICE STATIONS	ELECTRONIC EQUIPMENT	SERVICE STATIONS	ELECTRONIC EQUIPMENT	SERVICE STATIONS	LEASING
SANTA ROSA	-0.3%	-5.8%	5.0%	18.3%	2.4%	-27.3%	7,564,602	7,420,290	1.9%	SERVICE STATIONS	SERVICE STATIONS	RESTAURANTS	SERVICE STATIONS	RESTAURANTS	SERVICE STATIONS	MISCELLANEOUS RETAIL
HAYWARD	-0.9%	3.3%	-13.0%	1.6%	-7.9%	-14.2%	6,337,847	6,698,107	-5.4%	HEAVY INDUSTRY	SERVICE STATIONS	MISC. VEHICLE SALES	SERVICE STATIONS	MISC. VEHICLE SALES	SERVICE STATIONS	ELECTRONIC EQUIPMENT
SAN LEANDRO	1.5%	-8.5%	10.6%	-9.8%	1.8%	-26.0%	5,013,058	5,007,198	0.1%	DEPARTMENT STORES	AUTO SALES - NEW	BLDG.MATLS-WHSL	AUTO SALES - NEW	BLDG.MATLS-WHSL	AUTO SALES - NEW	MISCELLANEOUS RETAIL
WALNUT CREEK	0.9%	3.0%	7.8%	9.5%	-2.1%	2.4%	4,820,519	4,667,552	3.3%	AUTO SALES - NEW	SERVICE STATIONS	LIGHT INDUSTRY	SERVICE STATIONS	LIGHT INDUSTRY	SERVICE STATIONS	FURNITURE/APPLIANCE
CITY OF PALO ALTO *	2.1%	-0.4%	14.7%	20.6%	3.0%	-10.5%	4,503,306	4,339,847	3.8%	OFFICE EQUIPMENT	SERVICE STATIONS	ELECTRONIC EQUIPMENT	SERVICE STATIONS	ELECTRONIC EQUIPMENT	SERVICE STATIONS	FURNITURE/APPLIANCE
REDWOOD CITY	3.8%	5.5%	14.5%	-8.0%	15.7%	14.6%	4,020,500	3,700,165	8.7%	AUTO SALES - NEW	OFFICE EQUIPMENT	MISCELLANEOUS RETAIL	OFFICE EQUIPMENT	MISCELLANEOUS RETAIL	OFFICE EQUIPMENT	BLDG.MATLS-RETAIL
SAN MATEO	-1.9%	2.2%	7.0%	-1.5%	-37.8%	-16.4%	3,953,624	4,115,286	-3.9%	SERVICE STATIONS	APPAREL STORES	OFFICE EQUIPMENT	APPAREL STORES	OFFICE EQUIPMENT	APPAREL STORES	LEASING
BERKELEY	-7.4%	5.1%	6.1%	-7.2%	-28.3%	-15.1%	3,164,006	3,361,658	-5.9%	SERVICE STATIONS	RESTAURANTS	LIGHT INDUSTRY	RESTAURANTS	LIGHT INDUSTRY	RESTAURANTS	FURNITURE/APPLIANCE
MILPITAS	9.9%	0.9%	8.3%	-5.4%	-3.3%	-13.0%	3,124,712	3,017,826	3.5%	FURNITURE/APPLIANCE	ELECTRONIC EQUIPMENT	LIGHT INDUSTRY	ELECTRONIC EQUIPMENT	LIGHT INDUSTRY	ELECTRONIC EQUIPMENT	OFFICE EQUIPMENT
GILROY	25.0%	10.4%	25.6%	10.4%	-18.2%	-1.4%	3,079,985	2,605,905	18.2%	AUTO SALES - NEW	APPAREL STORES	ENERGY SALES	APPAREL STORES	ENERGY SALES	APPAREL STORES	HEAVY INDUSTRY
SO. SAN FRANCISCO	0.1%	-0.6%	-9.2%	7.4%	-2.5%	-47.3%	2,758,152	2,807,346	-1.8%	LEASING	BLDG.MATLS-RETAIL	SERVICE STATIONS	BLDG.MATLS-RETAIL	SERVICE STATIONS	BLDG.MATLS-RETAIL	CHEMICAL PRODUCTS
TRACY	6.6%	3.6%	10.3%	-3.8%	62.9%	15.5%	2,752,024	2,517,149	9.3%	HEAVY INDUSTRY	AUTO SALES - NEW	BLDG.MATLS-RETAIL	AUTO SALES - NEW	BLDG.MATLS-RETAIL	AUTO SALES - NEW	CHEMICAL PRODUCTS
ANTIOCH	5.2%	-1.9%	14.9%	53.3%	3.9%	-5.1%	2,567,522	2,304,757	11.4%	BLDG.MATLS-WHSL	AUTO SALES - NEW	FOOD MARKETS	AUTO SALES - NEW	FOOD MARKETS	AUTO SALES - NEW	BLDG.MATLS-RETAIL
CUPERTINO	-7.7%	2.8%	5.1%	10.4%	34.6%	-17.1%	2,560,646	2,272,111	12.7%	OFFICE EQUIPMENT	SERVICE STATIONS	AUTO SALES - NEW	SERVICE STATIONS	AUTO SALES - NEW	SERVICE STATIONS	MISCELLANEOUS RETAIL
CAMPBELL	4.4%	-3.4%	11.3%	6.1%	-37.8%	-16.3%	2,104,313	2,214,712	-5.0%	FURNITURE/APPLIANCE	SERVICE STATIONS	LIGHT INDUSTRY	SERVICE STATIONS	LIGHT INDUSTRY	SERVICE STATIONS	BUSINESS SERVICES
UNION CITY	3.5%	-1.9%	15.0%	29.2%	-1.6%	-9.6%	1,881,736	1,754,006	7.3%	BLDG.MATLS-RETAIL	BLDG.MATLS-WHSL	LIGHT INDUSTRY	BLDG.MATLS-WHSL	LIGHT INDUSTRY	BLDG.MATLS-WHSL	FOOD PROCESSING EQP
PITTSBURG	-0.3%	-1.1%	48.5%	-6.9%	17.5%	-6.0%	1,875,214	1,677,788	11.8%	AUTO SALES - NEW	CHEMICAL PRODUCTS	LEASING	CHEMICAL PRODUCTS	LEASING	CHEMICAL PRODUCTS	BLDG.MATLS-RETAIL
EMERYVILLE	0.5%	8.7%	14.3%	0.2%	-9.3%	-80.2%	1,838,805	1,843,085	-0.2%	RESTAURANTS	FURNITURE/APPLIANCE	OFFICE EQUIPMENT	FURNITURE/APPLIANCE	OFFICE EQUIPMENT	FURNITURE/APPLIANCE	MISCELLANEOUS RETAIL
LOS GATOS	24.6%	-1.1%	19.4%	29.3%	-5.2%	-2.8%	1,821,424	1,588,570	14.7%	MISCELLANEOUS RETAIL	AUTO SALES - NEW	RESTAURANTS	MISCELLANEOUS RETAIL	RESTAURANTS	MISCELLANEOUS RETAIL	LIGHT INDUSTRY
SAN RAMON	3.5%	1.2%	10.4%	4.8%	14.2%	-19.8%	1,814,847	1,702,407	6.6%	HEAVY INDUSTRY	SERVICE STATIONS	OFFICE EQUIPMENT	SERVICE STATIONS	OFFICE EQUIPMENT	SERVICE STATIONS	APPAREL STORES
ROHNERT PARK	6.2%	2.2%	-2.5%	-4.5%	-10.0%	-7.7%	1,785,460	1,764,087	1.2%	DEPARTMENT STORES	MISCELLANEOUS RETAIL	ELECTRONIC EQUIPMENT	MISCELLANEOUS RETAIL	ELECTRONIC EQUIPMENT	MISCELLANEOUS RETAIL	BLDG.MATLS-WHSL
PLEASANT HILL	1.3%	4.1%	18.2%	-27.4%	-12.6%	-14.2%	1,715,702	1,709,400	0.4%	FURNITURE/APPLIANCE	SERVICE STATIONS	FLORIST/NURSERY	SERVICE STATIONS	FLORIST/NURSERY	SERVICE STATIONS	BLDG.MATLS-RETAIL
MENLO PARK	12.9%	-0.9%	-8.1%	-6.3%	6.2%	-1.6%	1,452,148	1,416,959	2.5%	OFFICE EQUIPMENT	MISCELLANEOUS RETAIL	AUTO SALES - NEW	MISCELLANEOUS RETAIL	AUTO SALES - NEW	MISCELLANEOUS RETAIL	LIGHT INDUSTRY
EAST PALO ALTO	-1.7%	-0.8%	13.3%	1.0%	15.3%	45.7%	648,496	645,352	0.5%	SERVICE STATIONS	HEAVY INDUSTRY	FURNITURE/APPLIANCE	HEAVY INDUSTRY	FURNITURE/APPLIANCE	HEAVY INDUSTRY	FOOD MARKETS