



# City of Palo Alto

## Sales Tax Digest Summary

### SECOND Quarter Collection of FIRST Quarter Sales



Quarter 1, 2007

#### State Overview

California experienced slower growth during the year ending 1<sup>st</sup> Quarter 2007 than the year ending 1<sup>st</sup> Quarter 2006. Cash receipts growth over the prior year was 2.2% statewide, 1.9% in Northern California, and 2.4% in Southern California.

#### 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 9.0% for the year ended 1<sup>st</sup> Quarter 2007 over the prior year. On a quarterly basis, the economic growth was 8.4% from 1<sup>st</sup> Quarter 2006 to 1<sup>st</sup> Quarter 2007. It is important to note that a significant amount of this quarter's sales tax growth was generated by a single business-to-business vendor.

#### Regional Overview

The following table analyzes the economic growth experienced in each of the State's seven regions. Values on the left side of each cell represent the percent each category or segment comprises of the whole region. Values on the right indicate the percentage change over the year.

#### ECONOMIC CATEGORIES: ANALYSIS FOR YEAR ENDED 4th QUARTER 2006

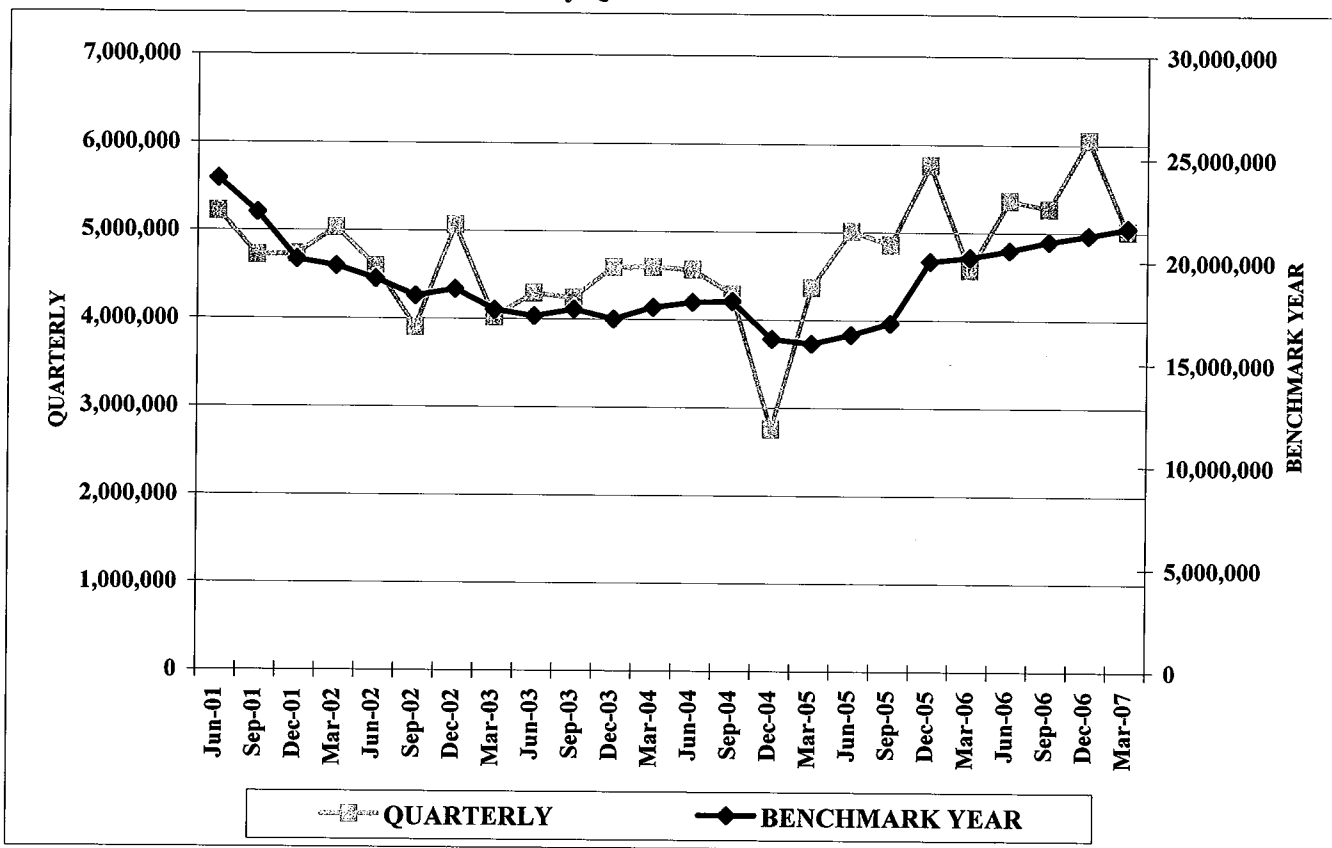
	City of Palo Alto	SF Bay Area	Sacramento Valley	Central Valley	South Coast	Inland Empire	North Coast
<b>General Retail</b>	3.0	2.9	1.7	3.3	2.4	2.9	0.5
% Change							
<b>Food Products</b>	4.4	3.7	2.6	2.3	4.1	1.7	1.3
% Change							
<b>Construction</b>	-13.9	1.1	-7.6	2.3	-0.3	-5.2	-0.4
% Change							
<b>Transportation</b>	10.3	2.5	-2.5	-0.9	0.4	-2.1	1.0
% Change							
<b>Business to Business</b>	28.9	6.3	-1.9	5.8	2.5	6.7	4.2
% Change							
<b>Miscellaneous</b>	-4.4	2.0	7.3	2.6	1.9	-5.8	-12.3
% Change							
<b>TOTAL</b>	<b>9.0</b>	<b>3.4</b>	<b>-1.3</b>	<b>2.1</b>	<b>1.9</b>	<b>0.8</b>	<b>0.8</b>

#### THREE LARGEST ECONOMIC SEGMENTS: ANALYSIS FOR YEAR ENDED 4th QUARTER 2006

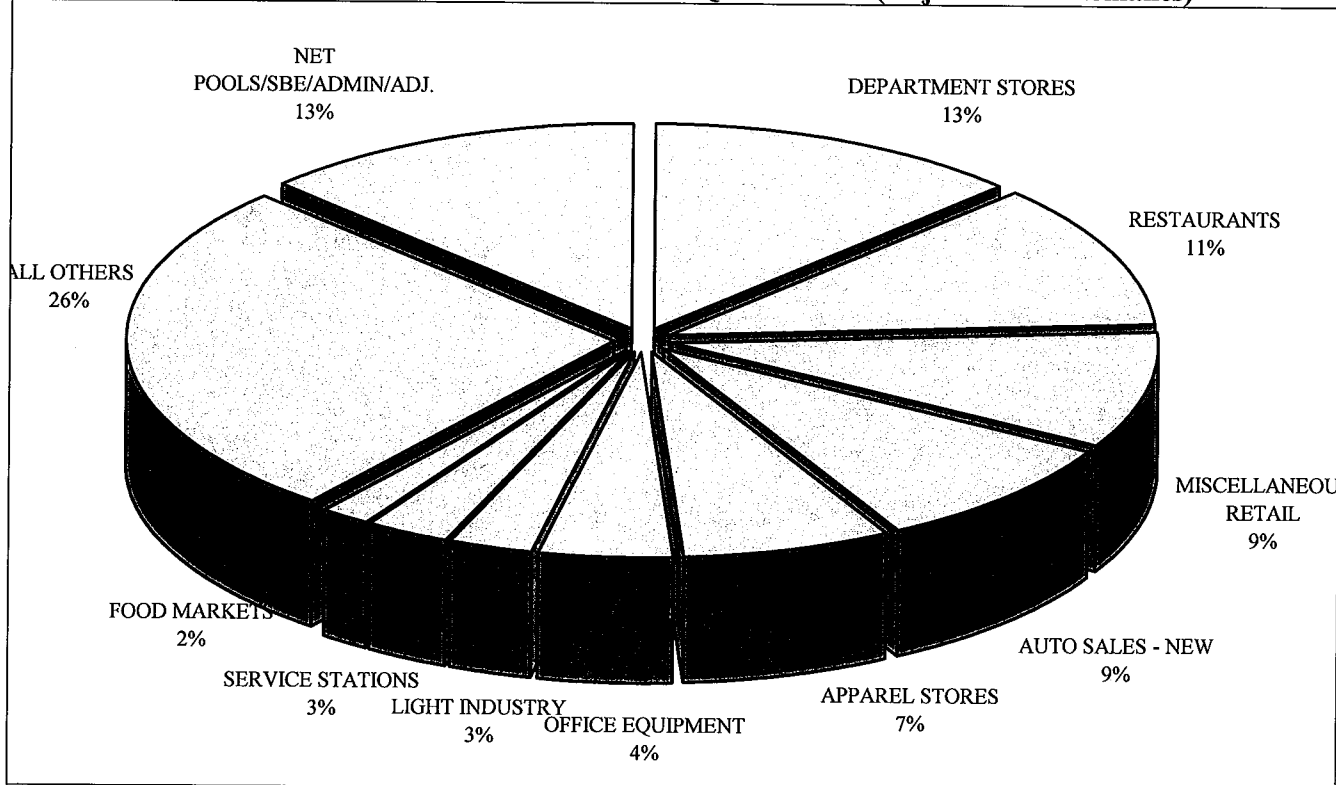
<b>1<sup>st</sup> Largest Segment</b>	<b>Department Stores</b>	<b>Auto Sales – New</b>	<b>Auto Sales – New</b>	<b>Department Stores</b>	<b>Restaurants</b>	<b>Auto Sales – New</b>	<b>Department Stores</b>
% Change	4.7	-1.1	-9.3	4.6	4.3	-7.7	-1.3
<b>2<sup>nd</sup> Largest Segment</b>	<b>Restaurants</b>	<b>Department Stores</b>	<b>Department Stores</b>	<b>Auto Sales – New</b>	<b>Auto Sales – New</b>	<b>Restaurants</b>	<b>Auto Sales – New</b>
% Change	5.8	5.6	3.6	-6.3	-2.9	3.7	0.4
<b>4<sup>th</sup> Largest Segment</b>	<b>Miscellaneous Retail</b>	<b>Restaurants</b>	<b>Bdlg. Matls. – Wholesale</b>	<b>Restaurants</b>	<b>Department Stores</b>	<b>Department Stores</b>	<b>Bdlg. Matls. – Wholesale</b>
% Change	0.2	4.5	-2.7	2.9	3.9	5.9	-5.4

# City of Palo Alto

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



## Total City Sales Tax \$21,709,847 Benchmark Year 1st Quarter 2007 (Adjusted for Anomalies)



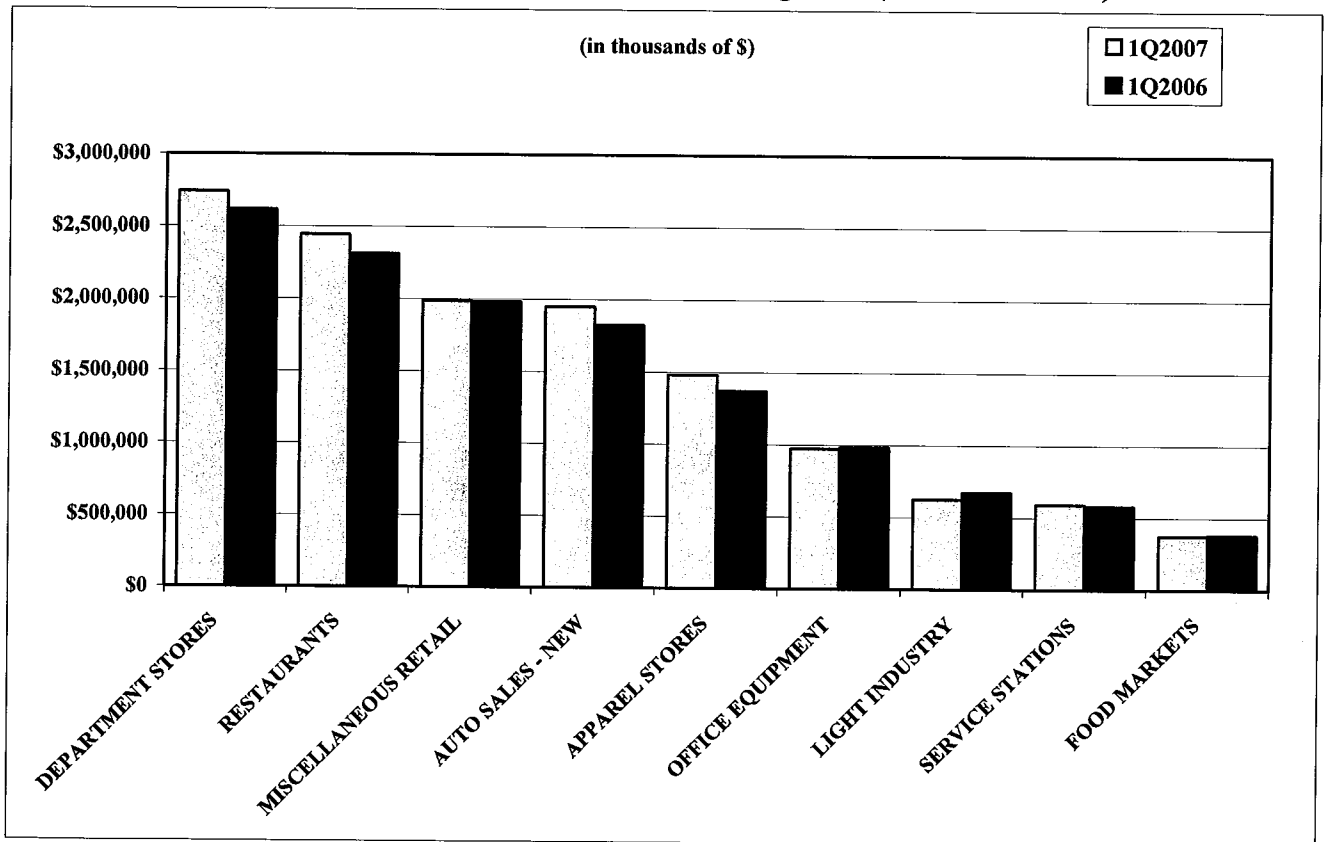
# City of Palo Alto

## 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 49.0% of the jurisdiction's total sales/use tax revenue.

AGILENT TECHNOLOGIES	LONGS DRUG STORES
ANDERSON HONDA	LORAL SPACE SYSTEMS
APPLE STORES	MACY'S DEPARTMENT STORE
BLOOMINGDALE'S	MAGNUSSEN TOYOTA
CARLSEN MOTOR CARS	NEIMAN MARCUS DEPARTMENT STORE
CARLSEN SUBARU	NORDSTROM DEPARTMENT STORE
CRATE & BARREL	TEACHERS CURRICULUM INSTITUTE
DOW JONES & COMPANY	THE GAP
FRY'S ELECTRONICS	TIFFANY & COMPANY
HEWLETT-PACKARD	VARIAN
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	%	2007/1	2006/4	2006/3	2006/2	2006/1	2005/4	2005/3	2005/2	2005/1
GENERAL RETAIL	36.9%	1,850,856	2,510,003	1,910,566	2,062,436	1,727,245	2,490,321	1,887,024	1,983,922	1,680,086
BUSINESS TO BUSINESS	20.1%	1,006,631	1,105,877	1,208,967	977,649	806,175	935,053	777,478	817,623	764,166
FOOD PRODUCTS	13.7%	687,145	753,186	698,086	727,994	674,539	708,431	677,208	684,790	642,657
TRANSPORTATION	13.6%	683,900	834,883	796,965	766,514	653,796	700,173	733,939	705,750	638,320
CONSTRUCTION	1.0%	49,757	52,226	69,000	83,756	77,064	80,129	65,452	73,160	67,762
MISCELLANEOUS NET	0.6%	29,450	42,765	35,305	35,659	36,569	52,912	28,033	32,321	31,939
POOLS/SBE/ADMIN/ADJ.	14.1%	707,257	737,137	557,841	710,671	599,232	797,255	688,238	716,411	543,893
<b>TOTALS</b>	<b>100</b>	<b>5,014,996</b>	<b>6,036,077</b>	<b>5,276,730</b>	<b>5,364,679</b>	<b>4,574,620</b>	<b>5,764,274</b>	<b>4,857,372</b>	<b>5,013,977</b>	<b>4,368,823</b>

ECONOMIC SEGMENT	%	2007/1	2006/4	2006/3	2006/2	2006/1	2005/4	2005/3	2005/2	2005/1
RESTAURANTS	11.8%	590,536	629,364	599,070	624,585	575,428	589,922	563,531	580,659	543,352
DEPARTMENT STORES	11.6%	581,075	864,759	627,727	666,219	514,057	857,598	591,493	652,712	526,687
AUTO SALES - NEW	8.5%	424,421	529,883	513,545	479,628	417,017	456,022	487,195	464,091	434,296
MISCELLANEOUS RETAIL	8.4%	422,682	626,919	448,912	487,117	421,769	622,813	466,829	469,774	403,425
APPAREL STORES	7.0%	350,650	424,627	334,461	371,134	296,596	426,108	314,211	333,626	282,402
OFFICE EQUIPMENT	4.4%	222,534	274,748	230,922	246,367	210,910	281,206	249,189	242,846	222,448
SERVICE STATIONS	2.8%	138,388	131,277	157,378	164,527	134,658	135,657	158,065	152,370	120,045
LIGHT INDUSTRY	2.4%	121,563	179,245	155,557	168,729	162,742	171,456	157,659	181,020	134,437
FOOD MARKETS	1.7%	84,892	110,619	87,799	89,491	87,513	104,039	98,334	90,044	86,066
LEASING	0.9%	44,775	42,511	46,137	41,652	40,756	38,124	43,191	40,237	40,830
BLDG.MATLS-RETAIL	0.8%	37,855	39,306	56,304	71,954	65,192	67,114	55,122	61,215	56,858
AUTO PARTS/REPAIR HEALTH &	0.6%	31,079	32,448	33,470	32,839	30,106	30,162	31,285	32,064	30,168
GOVERNMENT	0.5%	23,234	29,463	26,967	25,988	28,512	25,533	20,514	18,388	24,858
BLDG.MATLS-WHLSLE	0.2%	11,902	12,920	12,696	11,802	11,872	13,015	10,330	11,945	10,904
LIQUOR STORES	0.2%	11,717	13,203	11,217	11,884	11,436	14,438	15,343	13,738	12,687
MISCELLANEOUS OTHER	0.1%	6,216	13,302	8,338	9,671	8,057	12,376	7,519	13,933	7,081
ALL OTHERS NET	24.0%	1,204,220	1,344,346	1,368,389	1,150,421	958,767	1,121,436	899,324	938,904	888,386
POOLS/SBE/ADMIN/ADJ.	14.1%	707,257	737,137	557,841	710,671	599,232	797,255	688,238	716,411	543,893
<b>TOTALS</b>	<b>100</b>	<b>5,014,996</b>	<b>6,036,077</b>	<b>5,276,730</b>	<b>5,364,679</b>	<b>4,574,620</b>	<b>5,764,274</b>	<b>4,857,372</b>	<b>5,013,977</b>	<b>4,368,823</b>

# City of Palo Alto

## And Selected Northern California

Jurisdiction	2007/1 Total					2006/1 Total					Decline		Decline	
	General Retail	Food Products	Transportation	Construction	Business to Business	Miscellaneous	% Chg	Gain	Gain	Gain	Gain	Gain	Decline	Decline
SAN JOSE	5.4%	2.0%	2.6%	4.7%	10.7%	-16.5%	29,114,719	27,661,809	5.3%	OFFICE EQUIPMENT	DEPARTMENT STORES	ELECTRONIC EQUIPMENT	AUTO SALES - NEW	
SAN FRANCISCO	6.4%	3.4%	-0.6%	21.3%	4.6%	2.8%	28,007,928	26,586,259	5.3%	DEPARTMENT STORES	BLDG.MATLS-WHSL	LIGHT INDUSTRY	AUTO SALES - NEW	
FRESNO	2.9%	0.6%	-2.8%	-7.7%	-3.9%	-12.7%	16,761,317	17,018,883	-1.5%	DEPARTMENT STORES	APPAREL STORES	BLDG.MATLS-RETAIL	MISC. VEHICLE SALES	
SACRAMENTO UNINCORP	0.7%	-2.0%	-6.6%	-11.4%	-3.9%	-13.6%	15,833,944	16,614,347	-4.7%	MISCELLANEOUS RETAIL	SERVICE STATIONS	BLDG.MATLS-RETAIL	AUTO SALES - NEW	
SACRAMENTO	3.3%	0.2%	2.3%	-13.5%	-14.4%	-5.9%	13,731,995	14,258,957	-3.7%	DEPARTMENT STORES	SERVICE STATIONS	BLDG.MATLS-WHSL	ENERGY SALES	
BAKERSFIELD	5.0%	3.5%	-3.2%	-18.9%	8.3%	-10.3%	13,518,817	13,574,903	-0.4%	DEPARTMENT STORES	ENERGY SALES	BLDG.MATLS-WHSL	BLDG.MATLS-RETAIL	
OAKLAND	-4.5%	-3.0%	2.5%	-1.1%	6.3%	-8.4%	10,300,979	10,180,387	1.2%	LEASING	ENERGY SALES	MISCELLANEOUS RETAIL	FOOD PROCESSING EQP	
ROSEVILLE	-3.9%	1.5%	-4.1%	-9.2%	-15.5%	13.2%	8,939,477	9,404,056	-4.9%	AUTO SALES - USED	SERVICE STATIONS	AUTO SALES - NEW	ELECTRONIC EQUIPMENT	
STOCKTON	-1.0%	-3.2%	-7.8%	-11.8%	19.9%	-7.9%	8,815,790	8,954,766	-1.6%	HEAVY INDUSTRY	OFFICE EQUIPMENT	BLDG.MATLS-RETAIL	AUTO SALES - NEW	
SANTA CLARA	3.3%	1.9%	5.3%	1.5%	-0.7%	-13.2%	8,260,679	8,155,716	1.3%	ELECTRONIC EQUIPMENT	AUTO SALES - NEW	OFFICE EQUIPMENT	HEALTH & GOVERNMENT	
FREMONT	2.0%	2.8%	4.5%	2.3%	6.4%	13.9%	7,086,248	6,799,595	4.2%	LIGHT INDUSTRY	DEPARTMENT STORES	BLDG.MATLS-RETAIL	MISCELLANEOUS RETAIL	
SANTA ROSA	2.0%	-0.2%	-0.9%	-0.8%	-1.5%	-14.7%	6,829,271	6,826,917	0.0%	BLDG.MATLS-WHSL	SERVICE STATIONS	BLDG.MATLS-RETAIL	AUTO SALES - NEW	
HAYWARD	17.6%	3.1%	3.5%	6.4%	2.9%	-5.4%	6,306,315	5,924,038	6.5%	DRUG STORES	BLDG.MATLS-WHSL	BLDG.MATLS-RETAIL	LIGHT INDUSTRY	
MODESTO	-2.3%	-4.3%	-4.7%	-11.4%	2.6%	-28.6%	6,105,241	6,350,168	-3.9%	SERVICE STATIONS	APPAREL STORES	BLDG.MATLS-RETAIL	MISCELLANEOUS RETAIL	
SUNNYVALE	6.8%	7.3%	13.2%	-1.2%	-4.3%	-7.7%	5,997,337	5,863,123	2.3%	AUTO SALES - NEW	SERVICE STATIONS	ELECTRONIC EQUIPMENT	BUSINESS SERVICES	
CONCORD	-0.5%	1.9%	-5.4%	1.5%	-3.6%	-3.8%	5,727,836	5,851,201	-2.1%	SERVICE STATIONS	DEPARTMENT STORES	AUTO SALES - NEW	LIGHT INDUSTRY	
VISALIA	4.6%	2.3%	2.2%	-13.3%	-7.2%	-10.2%	4,766,826	4,800,583	-0.7%	SERVICE STATIONS	ENERGY SALES	LEASING	BLDG.MATLS-RETAIL	
SAN LEANDRO	0.2%	1.3%	-1.4%	2.4%	15.7%	5.9%	4,710,047	4,535,457	3.8%	HEAVY INDUSTRY	LIGHT INDUSTRY	AUTO SALES - NEW	FURNITURE/APPLIANCE	
PLEASANTON	5.1%	12.1%	-6.3%	6.8%	12.5%	19.5%	4,658,717	4,415,512	5.5%	OFFICE EQUIPMENT	RESTAURANTS	AUTO SALES - NEW	BLDG.MATLS-RETAIL	
REDDING	-4.4%	-4.1%	-4.8%	-17.8%	1.8%	-22.3%	4,467,260	4,762,995	-6.2%	SERVICE STATIONS	HEAVY INDUSTRY	BLDG.MATLS-RETAIL	AUTO SALES - NEW	
<b>CITY OF PALO ALTO *</b>	<b>7.2%</b>	<b>1.9%</b>	<b>4.6%</b>	<b>-35.4%</b>	<b>24.9%</b>	<b>-19.5%</b>	<b>4,307,739</b>	<b>3,975,390</b>	<b>8.4%</b>	<b>ELECTRONIC EQUIPMENT</b>	<b>DEPARTMENT STORES</b>	<b>LIGHT INDUSTRY</b>	<b>BLDG.MATLS-RETAIL</b>	
LIVERMORE	1.0%	2.9%	-3.9%	-1.7%	5.9%	-1.6%	4,200,702	4,137,095	1.5%	BLDG.MATLS-WHSL	LIGHT INDUSTRY	BLDG.MATLS-RETAIL	AUTO SALES - NEW	
WALNUT CREEK	3.8%	3.1%	-7.6%	8.5%	-17.1%	-10.4%	4,126,852	4,229,694	-2.4%	DEPARTMENT STORES	APPAREL STORES	AUTO SALES - NEW	OFFICE EQUIPMENT	
ELK GROVE	0.0%	1.9%	-2.1%	-10.5%	1.9%	-8.5%	3,907,947	3,956,867	-1.2%	AUTO SALES - USED	MISC. VEHICLE SALES	AUTO SALES - NEW	FURNITURE/APPLIANCE	
REDWOOD CITY	10.2%	5.7%	-2.8%	16.1%	-2.3%	-12.4%	3,899,928	3,793,971	2.8%	SERVICE STATIONS	BLDG.MATLS-WHSL	AUTO SALES - NEW	OFFICE EQUIPMENT	

# City of Palo Alto

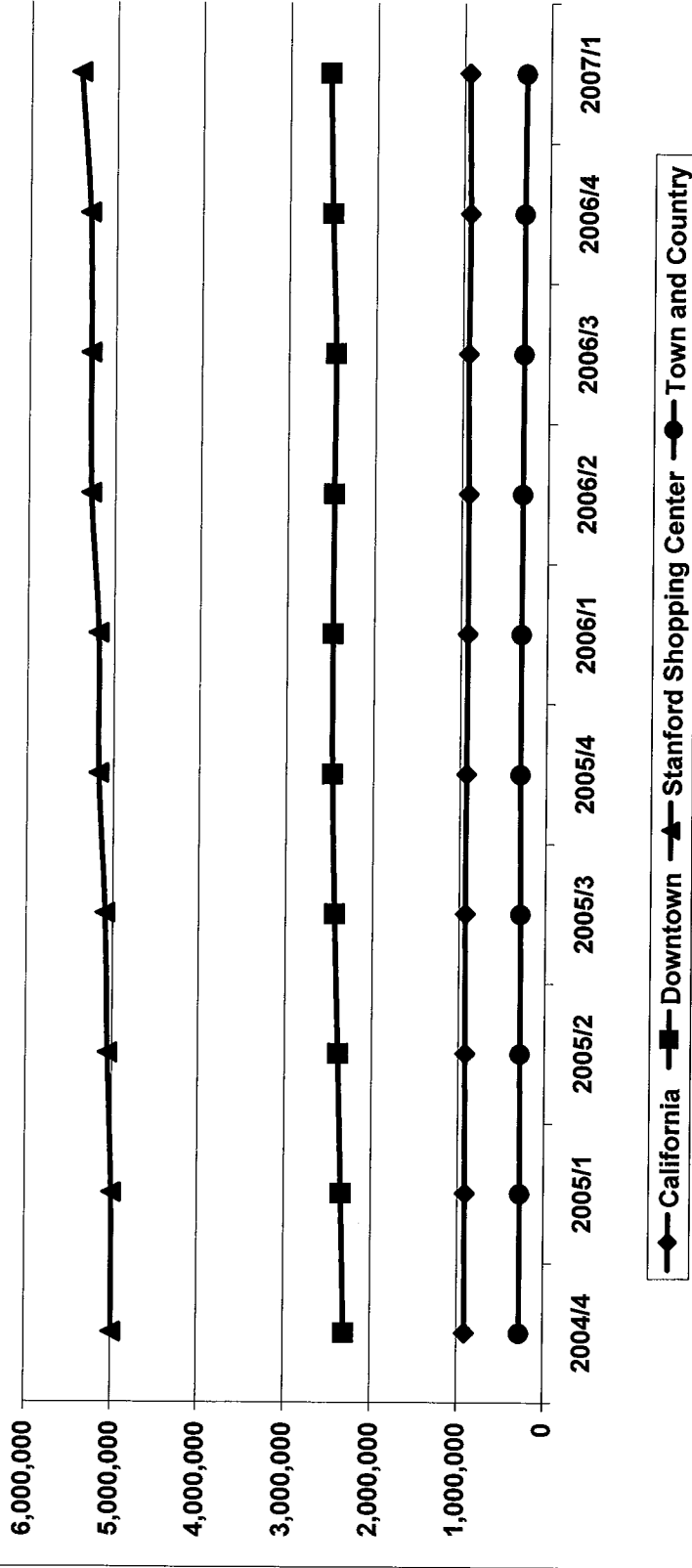
## CITY OF PALO ALTO - SELECTED GEOGRAPHICAL AREAS OF THE CITY

### BENCHMARK YEAR 1ST QUARTER 2007

	2004/4	2005/1	2005/2	2005/3	2005/4	2006/1	2006/2	2006/3	2006/4	2007/1
California	908,011	912,025	920,832	926,617	923,792	920,967	919,085	929,991	920,596	939,032
Downtown	2,298,493	2,338,440	2,383,218	2,428,971	2,466,758	2,470,706	2,467,626	2,456,257	2,500,636	2,535,867
Stanford Shopping Center	4,992,784	4,997,802	5,051,485	5,087,056	5,170,647	5,180,949	5,274,552	5,286,122	5,305,387	5,415,749
Town and Country	275,676	275,363	281,494	285,601	295,559	296,286	293,062	289,908	288,222	278,364

## HISTORIC SALES TAX BY GEOGRAPHIC AREA

Benchmark Year



# City of Palo Alto

## CITY OF PALO - REGIONAL SHOPPING CENTER COMPARISON

### BENCHMARK YEAR 1ST QUARTER 2007

	2004/4	2005/1	2005/2	2005/3	2005/4	2006/1	2006/2	2006/3	2006/4	2007/1
Valley Fair	4,580,877	4,642,510	4,746,220	4,843,071	4,980,819	5,010,670	5,267,323	5,520,323	5,440,554	6,860,819
Santana Row	1,417,287	1,464,806	1,512,962	1,570,762	1,626,360	1,674,343	1,707,638	1,734,143	1,764,508	1,821,673
Hillsdale	3,084,272	3,095,809	3,119,293	3,156,211	3,146,328	3,146,457	3,208,307	2,889,177	2,890,671	2,923,123
Stanford Shopping Center	4,992,784	4,997,802	5,051,485	5,087,056	5,170,647	5,180,949	5,274,552	5,286,122	5,305,387	5,415,749
Oakridge Mall	2,884,404	2,915,167	2,942,700	3,003,266	3,089,423	3,133,983	3,247,315	3,023,925	3,017,094	3,036,592

## HISTORIC SALES TAX BY GEOGRAPHIC AREA

Benchmark Year

