

# Q1 2013



# Manhattan Beach Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2013)

## Manhattan Beach In Brief

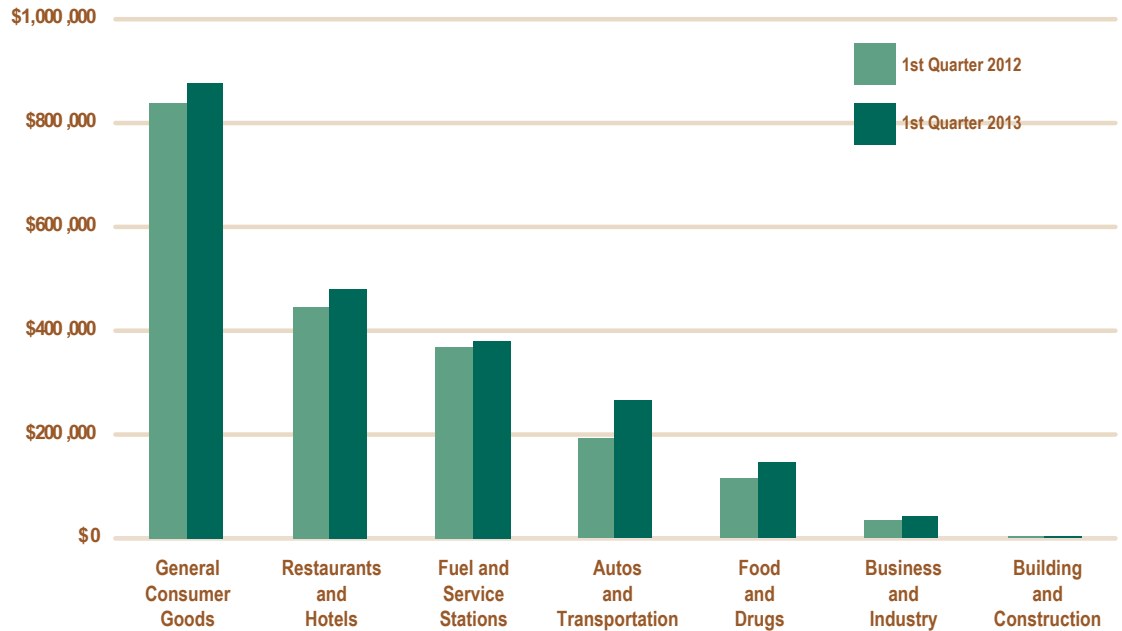
Receipts from Manhattan Beach's January through March sales were 10.8% higher than the same quarter one year ago. Actual sales activity increased 9.5% after accounting aberrations were factored out.

Current period receipts that were incorrectly allocated temporarily buoyed the results from the autos and transportation group. Eatery openings and higher net receipts boosted returns from all restaurant and hotel group sectors.

Most general consumer goods categories experienced higher sales while a missing payment in the year-ago period inflated food and drugs group results. A larger allocation from the countywide use tax pool further contributed to the increase.

Adjusted for aberrations, taxable sales for all of Los Angeles County increased 4.9% over the comparable time period, while the Southern California region as a whole was up 6.5%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS In Alphabetical Order

Apple Store	Olive Garden
Arco	Power Pre Owned Auto Center
Barnes & Noble	Power Preowned Auto Center
BevMo	Ralphs
Chevron	REI
Circle K	Sashi Sushi Sake Lounge
CVS Pharmacy	Sephora
Dewitt Petroleum	Skechers
Frys Electronics	Strand House
Houston's	Standbar
Macys	Target
Manhattan Beach Marriott	Trader Joes
Manhattan Beach Toyota Scion	
Old Navy	

### REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	\$8,471,770	\$8,909,182
County Pool	934,492	1,062,994
State Pool	3,121	4,654
<b>Gross Receipts</b>	<b>\$9,409,384</b>	<b>\$9,976,830</b>
<b>Less Triple Flip*</b>	<b>\$(2,352,346)</b>	<b>\$(2,494,208)</b>

\*Reimbursed from county compensation fund

## California Overall

After adjusting for payment aberrations, statewide sales tax receipts for January through March sales were 6.5% higher than the same period in 2012.

Strong sales for apparel, department stores and big box discounters lifted general consumer goods and accounted for 23% of the statewide increase. Improvements in the housing sector pushed building and construction sales up 8.6%. Continued robust sales of new automobiles led to a 9.3% increase over the comparable quarter. Reduced consumption combined with lower gasoline prices cut fuel and service station returns in the first quarter by 2.7%.

## Energy Projects Boost Business and Industry Gains

Taxes from construction of solar, wind, biomass and geothermal power projects accounted for 39% of California's business-to-business sales this quarter and produced significant windfalls for a handful of local agencies.

This temporary boost in revenues came from the federal government's goal of doubling the nation's renewable energy production in three years and from California's SB 2X which was signed in April of 2011 and calls for 33% of all retail electricity sales to be from renewable energy sources by 2020. Joint federal and state funding efforts to meet these goals have resulted in the initiation of more than a dozen utility-scale solar energy projects and over 130 renewable power plant projects in California.

Intermittent quarterly spikes in sales and use tax receipts from projects under construction or in the pipeline are expected for another two years.

## Decline in Fuel Consumption Continues

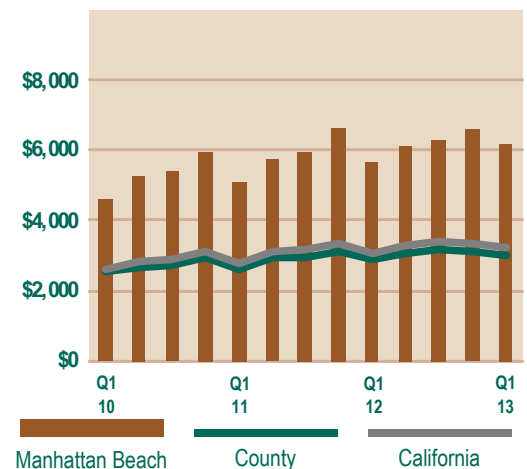
According to the most recent data from the State Board of Equalization, California's gasoline usage fell 1.7% while diesel consumption eased 0.4% in the fourth quarter of 2012 from 2011 levels. This continues a decline that began in 2005 and which is almost twice the nationwide drop.

Historically, economic conditions have been the primary driver in fuel usage, however other factors are becoming increasingly prevalent. Nationally, total vehicle miles traveled have dropped eight years in a row as aging drivers travel fewer miles and the millennial generation, focused on social networking technology, is driving less than previous generations. Increased fuel efficiency is also at play with the average new car achieving 16% more miles per gallon than just five years ago and some

commercial trucking fleets shifting to natural gas.

Until recently, price increases have offset consumption declines. The price gains were partly the result of California refineries exporting their finished product to emerging economies with higher demand and also by periodic refinery and transmission interruptions in the state's limited production infrastructure.

## SALES PER CAPITA



## MANHATTAN BEACH TOP 15 BUSINESS TYPES

Business Type	Manhattan Beach		County	HdL State
	Q1 '13*	Change	Change	Change
Department Stores	83.2	9.6%	4.6%	4.8%
Discount Dept Stores	— CONFIDENTIAL —	—	5.4%	5.1%
Electronics/Appliance Stores	251.1	-2.5%	-0.8%	-3.2%
Family Apparel	58.6	7.0%	16.5%	16.4%
Grocery Stores Liquor	73.9	75.1%	64.1%	24.7%
New Motor Vehicle Dealers	— CONFIDENTIAL —	—	4.5%	9.5%
Petroleum Prod/Equipment	— CONFIDENTIAL —	—	-9.3%	-3.4%
Restaurants Beer And Wine	97.6	0.2%	-3.0%	-2.3%
Restaurants Liquor	268.2	11.2%	8.1%	6.9%
Restaurants No Alcohol	80.1	11.5%	4.4%	5.9%
Service Stations	109.9	8.4%	-6.0%	-2.2%
Specialty Stores	69.5	8.5%	-4.2%	2.7%
Sporting Goods/Bike Stores	48.0	7.8%	1.8%	12.7%
Used Automotive Dealers	56.3	na	3.7%	7.8%
Women's Apparel	75.4	4.9%	14.3%	14.6%
<b>Total All Accounts</b>	<b>\$2,199.0</b>	<b>9.8%</b>	<b>5.0%</b>	<b>5.7%</b>
<b>County &amp; State Pool Allocation</b>	<b>258.2</b>	<b>20.3%</b>		
<b>Gross Receipts</b>	<b>\$2,457.2</b>	<b>10.8%</b>		<i>*In thousands</i>