

Q1 2016



City of Dublin Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2016)

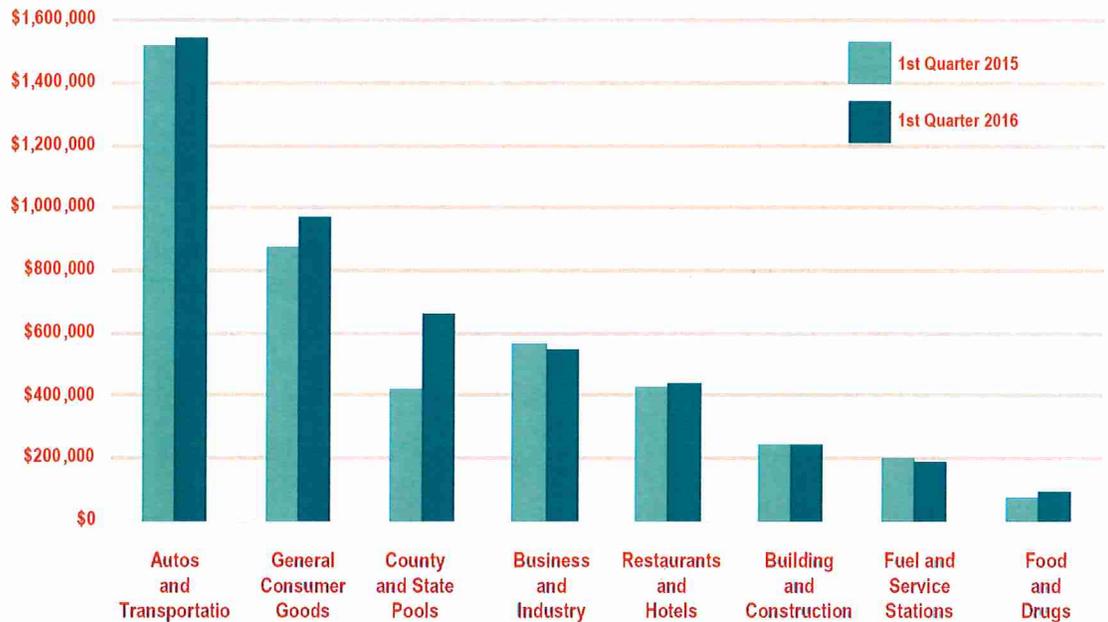
Dublin In Brief

Dublin's allocation of sales and use tax from its January through March sales was 8.1% higher than the first quarter of 2015. Actual sales activity was up 2.7% after factoring for accounting anomalies that inflated comparisons within the countywide use tax allocation pool.

Recent additions to the grocery and general consumer goods groups and a solid quarter for auto sales, consumer electronics, medical equipment and most categories of restaurants all contributed to the actual increase. However, the gains were largely offset by lower fuel prices and declines in some categories of business-industrial and building-construction sales.

Adjusted for aberrations, sales and use tax receipts for all of Alameda County rose 3.6% over the comparable time period while the nine county bay region as a whole, was up 3.3%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS IN ALPHABETICAL ORDER

Alcosta Shell	Graybar Electric
Best Buy	HD Supply
Carl Zeiss Ophthalmic Systems	Lowes
Dublin Auto Group	Nordstrom Rack
Dublin Honda	REI
Dublin Hyundai	Safeway
Dublin Mazda	Safeway Fuel
Dublin Nissan	Santa Rita Jail Food Service
Dublin Toyota	Shell Service
Dublin Volkswagen	Target
Epicor Software	Tesla Motors
Fallon Gateway Chevron	Toys R Us
	Whole Foods Market

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2014-15	2015-16
Point-of-Sale	\$12,391,257	\$12,840,587
County Pool	1,751,297	2,057,972
State Pool	7,876	8,700
Gross Receipts	\$14,150,430	\$14,907,260
Less Triple Flip*	\$(3,537,608)	\$(2,555,522)

*Reimbursed from county compensation fund

California Overall

The local one-cent share of the statewide sales and use tax was 3.1% higher than the year-ago quarter after excluding payment aberrations.

Gains in the countywide use tax pools were the largest contributor to the increase due to the growing impact of online purchases from out-of-state sellers and the corresponding shift of tax revenues from brick and mortar retail stores to fulfillment centers that process orders online. Not surprisingly, areas with concentrations of young, affluent buyers saw the highest online sales growth and the weakest general consumer goods results.

Solid results from auto sales and leases, transportation rentals, contractor supplies and restaurants also contributed to the overall increase.

The 5.6% gain in the business-industry sector was bolstered by onetime receipts for equipment purchases related to alternative energy projects.

Most general consumer goods categories were flat or down, except for specialty stores, electronics-appliance stores and home furnishings, consistent with the trend of consumers buying more from online retailers.

Gains from most other segments were relatively modest, while lower prices at the pump caused an 11.4% decline in fuel tax revenues, extending the decline to a sixth consecutive quarter.

Robust Growth in Online Sales

National surveys reveal that consumers buy online to avoid crowds, save time and find better bargains. Online shopping also benefits buyers in rural areas with fewer shopping options.

Total online spending comprised 12.8% of all general consumer goods purchases in 2015, up from 3.4% in 2000.

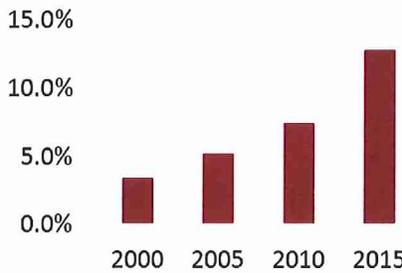
According to Forrester Research, Amazon accounted for 60% of total online sales growth in 2015.

Though the online share of overall sales

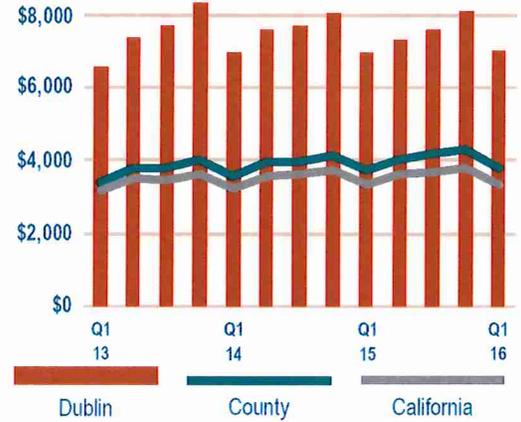
remains relatively modest, the year-over-year growth rate indicates a major shift in retailing is well underway. In response, more and more traditional brick and mortar retailers are opening online sales channels in recognition of this growing trend largely powered by younger buyers.

Department store chains have been particularly hard hit as Amazon has expanded its offerings to include apparel and fashion merchandise. Media reports indicate Macy's recently suffered its worse quarterly sales since the recession, while Nordstrom, J.C. Penney and Kohl's all reported lower sales. Each of these chains has established a solid web presence in a fight to retain market share.

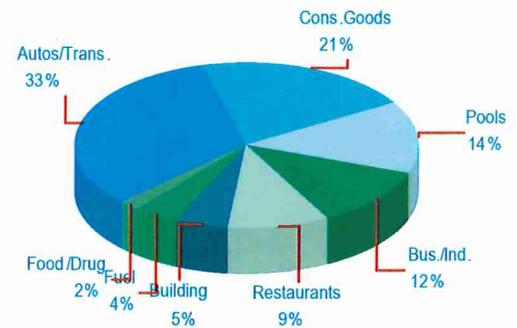
**Online General Consumer Goods
YOY Percentage Growth**



SALES PER CAPITA



**REVENUE BY BUSINESS GROUP
Dublin This Quarter**



DUBLIN TOP 15 BUSINESS TYPES

**In thousands of dollars*

Business Type	Dublin Q1 '16*	Dublin Change	County Change	HdL State Change
Casual Dining	263.2	5.4%	3.4%	5.4%
Discount Dept Stores	— CONFIDENTIAL —	—	-3.2%	-0.3%
Electrical Equipment	— CONFIDENTIAL —	—	19.8%	6.6%
Electronics/Appliance Stores	166.4	21.9%	-2.4%	2.7%
Family Apparel	99.5	-11.7%	3.9%	-0.7%
Fast-Casual Restaurants	94.0	16.5%	7.4%	1.1%
Home Furnishings	129.4	6.9%	8.3%	2.9%
Lumber/Building Materials	— CONFIDENTIAL —	—	3.7%	5.4%
Medical/Biotech	— CONFIDENTIAL —	—	-26.8%	7.7%
New Motor Vehicle Dealers	1,317.6	6.0%	4.4%	3.1%
Plumbing/Electrical Supplies	68.9	32.9%	-9.8%	-7.7%
Quick-Service Restaurants	78.3	9.5%	8.0%	6.5%
Service Stations	185.9	-8.3%	-10.4%	-9.4%
Specialty Stores	124.5	-4.8%	5.8%	3.4%
Sporting Goods/Bike Stores	98.3	-0.8%	-13.4%	1.2%
Total All Accounts	4,023.8	2.8%	2.9%	1.8%
County & State Pool Allocation	661.4	57.4%	57.5%	14.1%
Gross Receipts	4,685.2	8.1%	8.2%	3.2%