

Q4 2010



City of Lemoore Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (Oct-Dec 2010)

Lemoore In Brief

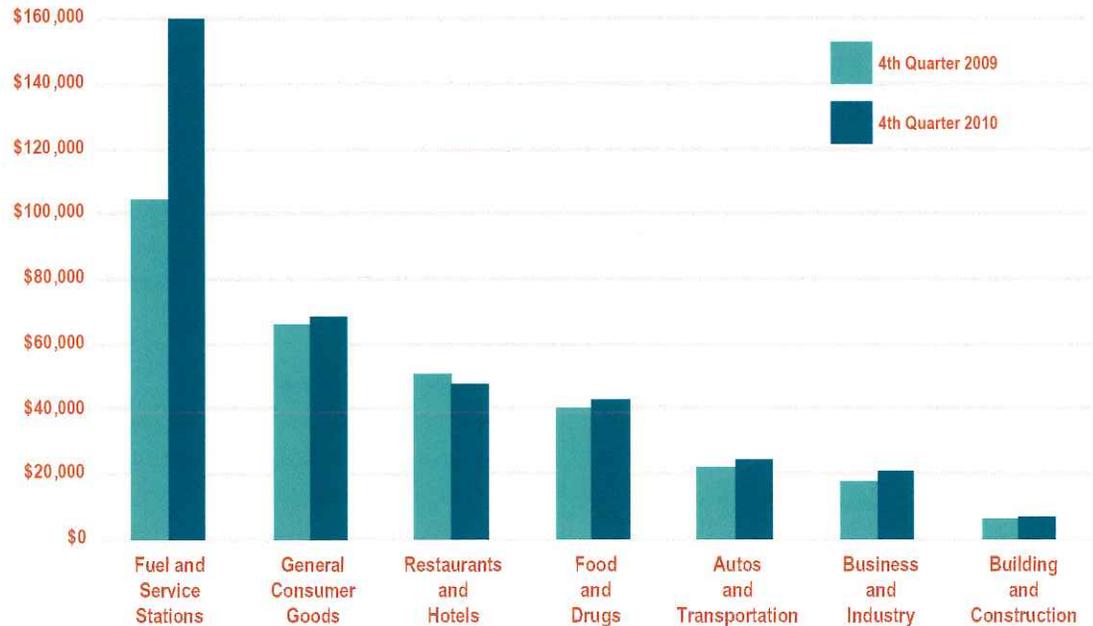
Receipts from Lemoore's October through December sales were 22.3% higher than the same quarter one year ago. Actual sales activity increased 12.1% after accounting aberrations were factored out.

Higher fuel prices and payment adjustments boosted receipts from the fuel & service stations group and was primarily responsible for the increase. A larger allocation from the countywide use tax pool also contributed to the gain.

The gains were partially offset by reporting problems which temporarily depressed receipts from restaurants & hotels.

Adjusted for reporting aberrations, sales and use tax receipts for all of Kings County increased 11.3% from last year's comparable quarter while San Joaquin Valley, as a whole, was up 12.5%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

7 Eleven	K & H Liquor Food & Gas
Adolfos Liquor	K Mart
Auto Zone	Lemoore Mini Mart
Best Buy Market	Lemoore Mobil
Billingsley Tire	Lemoore Shell
Burger King	Leprino Foods
Burrows & Castadio	McDonalds
Bush Street Chevron	Rite Aid
Dollar Tree	Save Mart
Fastrip	Taco Bell
Fastrip	Walgreens
Filtration Eng	
Gary Burrows	
Jack in the Box	

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2009-10	2010-11
Point-of-Sale	\$1,061,836	\$1,088,786
County Pool	193,886	178,723
State Pool	1,100	575
Gross Receipts	\$1,256,822	\$1,268,083
Cty/Cnty Share	(25,136)	(25,362)
Net Receipts	\$1,231,685	\$1,242,721
Less Triple Flip*	\$(307,921)	\$(310,680)

*Reimbursed from county compensation fund

NOTES

Statewide Sales Increase!

Adjusted for accounting aberrations, California's local sales and use tax revenues for the fourth quarter of 2010 were 7.3% higher than the same quarter one year ago. This represents the fourth straight quarter of growth and the largest percentage increase since the third quarter of 2005.

Higher fuel prices and usage, robust sales of new autos and rebounds in restaurants and general consumer goods helped boost overall receipts. Capital purchases of business equipment and labor-saving technology were especially strong in the Bay Area and Southern California. A onetime use tax payment for alternative energy equipment added to San Joaquin Valley's pooled use tax totals. Excluding accounting aberrations the state's strongest regions were the San Joaquin Valley +12.5%, the Bay Area +7.7% and the Central Coast +7.1%.

Some Problems Remain

Although recent better than expected improvements in the state's labor markets suggest the rebound is gaining momentum, most economists believe the unemployment rate will remain in double-digits through 2012.

The large volume of unsold residential, commercial and office properties will continue to suppress new construction spending and be a drag on the economy through 2012-13. Soaring oil prices and budget cutbacks by state and local governments will have a short-term negative impact on economic growth.

Post tsunami problems in Japan are likely to cause supply shortages of autos, auto parts and various electronic components. However, the depth and duration of the impact remains unclear at this time.

Green Energy Exemptions

SB 71, which was pushed through the Legislature as one of last year's budget deals, authorizes the previously ob-

scure California Alternative Energy & Advanced Transportation Financing Authority (CAEATFA) to grant sales and use tax exemptions of state and local sales, use and transactions taxes for "green manufacturing" projects. There is no cap on the value of exemptions CAEATFA may approve but the Legislature must be notified if they exceed \$100 million annually.

Through March, CAEATFA has approved 28 projects exempting almost \$961 million in qualified property that would have generated about \$87.5 million statewide using an average tax rate of 9.1%. Local government losses are expected to exceed \$19 million.

Although approved projects are located in various areas of the state, Santa Clara and Alameda Counties have been the most impacted thus far.

Renewable Energy Exemptions

In late February the CAEATFA Board of Directors postponed expansion of the exemption program with a proposed \$50 million sales and use tax exemption program for renewable

energy generation projects until early 2012 pending a better understanding of the state's fiscal condition. Industry lobbyists are pushing for a much larger program than CAEATFA originally planned.

Local governments will not be notified of applications that could affect their revenues. However, agenda notices can be obtained by visiting <http://www.treasurer.ca.gov/caeatfa/agenda.asp>.

SALES PER CAPITA



LEMOORE TOP 15 BUSINESS TYPES

Business Type	Lemoore		County	HdL State
	Q4 '10	Change	Change	Change
Auto Repair Shops	3,949	20.0%	11.0%	0.3%
Automotive Supply Stores	20,043	20.0%	13.9%	11.3%
Discount Dept Stores	— CONFIDENTIAL —	—	-0.3%	2.2%
Drug Stores	— CONFIDENTIAL —	—	-3.6%	0.2%
Food Mfg.	5,516	7.0%	-12.4%	8.2%
Garden/Agricultural Supplies	— CONFIDENTIAL —	—	65.1%	1.1%
Grocery Stores Beer/Wine	9,399	5.5%	3.1%	1.8%
Grocery Stores Liquor	— CONFIDENTIAL —	—	9.6%	4.6%
Package Liquor Stores	— CONFIDENTIAL —	—	23.5%	6.5%
Petroleum Prod/Equipment	— CONFIDENTIAL —	—	43.3%	18.0%
Restaurants Beer And Wine	8,714	-9.3%	-10.2%	-2.2%
Restaurants No Alcohol	34,404	5.8%	-0.2%	5.5%
Service Stations	75,688	28.2%	16.4%	13.1%
Specialty Stores	4,987	-16.8%	-1.9%	7.5%
Variety Stores	— CONFIDENTIAL —	—	1.5%	7.6%
Total All Accounts	\$370,610	20.4%	9.9%	5.8%
County & State Pool Allocation	76,069	32.4%		
Gross Receipts	\$446,679	22.3%		
City/County Share	(8,934)	-22.3%		
Net Receipts	\$437,746	22.3%		