

# Q4 2011



# City of Lemoore Sales Tax Update

First Quarter Receipts for Fourth Quarter Sales (October - December 2011)

## Lemoore In Brief

Receipts for Lemoore's October through December sales were 3.9% higher than the same quarter one year ago. Actual sales activity was up 8.1% when reporting aberrations were factored out.

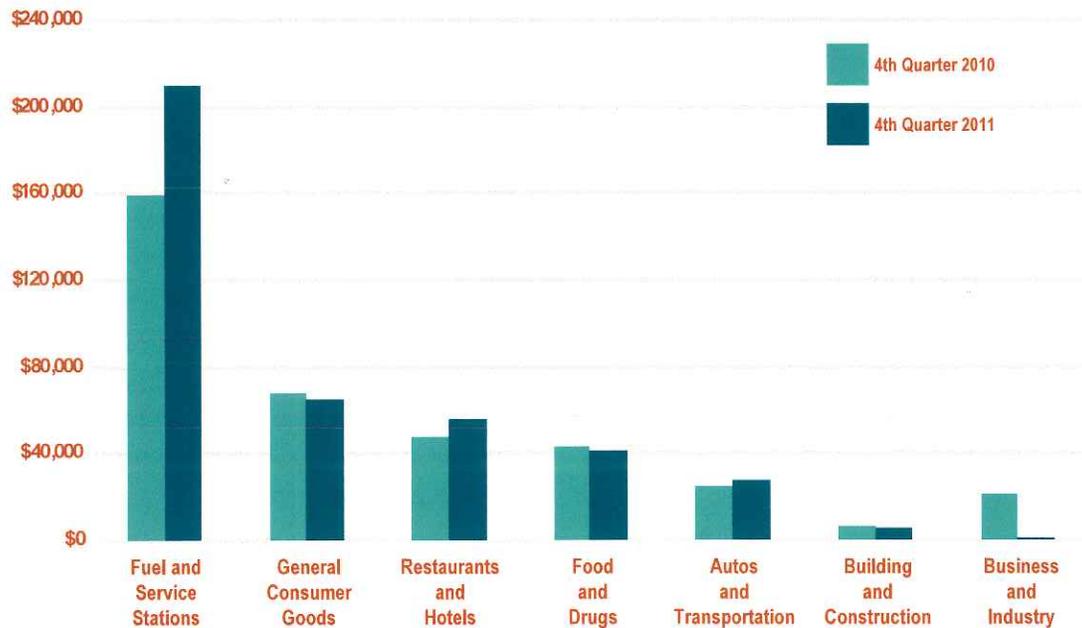
Higher fuel prices heightened receipts from the fuel and service stations group. Recent additions helped boost revenues from restaurants.

A onetime payment and accounting adjustments that inflated year-ago returns exaggerated the drop in business and industry.

The city's allocation from the county use tax pool depressed overall results.

Adjusted for aberrations, taxable sales for all of Kings County increased 6.7% over the comparable time period, while the San Joaquin Valley as a whole was up 11.0%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

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

### REVENUE COMPARISON

Three Quarters - Fiscal Year To Date

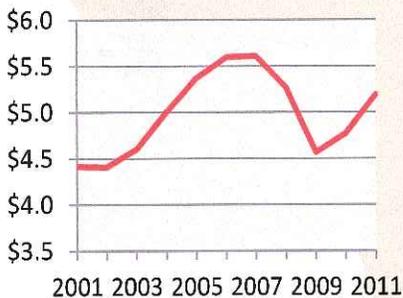
	2010-11	2011-12
Point-of-Sale	\$1,088,786	\$1,269,100
County Pool	178,723	200,525
State Pool	575	197
<b>Gross Receipts</b>	<b>\$1,268,083</b>	<b>\$1,469,822</b>
Cty/Cnty Share	(25,362)	(29,396)
<b>Net Receipts</b>	<b>\$1,242,721</b>	<b>\$1,440,426</b>
Less Triple Flip*	\$(310,680)	\$(360,106)

\*Reimbursed from county compensation fund

**California Overall**

Retail sales in the final quarter of 2011, excluding onetime reporting aberrations, were up 7.8% compared to the same period in 2010. Strong 4th quarter sales brought statewide calendar year 2011 within 7.25% of the pre-recession peak reached in 2006. At their 2009 low point, retail sales were 18.6% below their 2006 highs.

**CA Local Sales Tax Receipts in \$Billions**



To close the remaining gap, annual retail sales need to grow by \$40.5 billion, a daunting task with high unemployment and weak housing markets still hindering growth. Retail sales have risen on strong demand for new autos, increased consumer spending, significant use tax receipts from alternative energy projects and federal stimulus funded infrastructure projects. However, rising fuel costs and continued economic uncertainties are expected to slow the rate of growth in the second half of this year.

**Retailers downsizing ... creating new opportunities and challenges**

A recent survey concluded that 53% of the U.S. population has made an online purchase and that 7% of all retail sales are now done over the Internet. With mobile and tablet shopping capabilities making online purchases ever easier, Internet market share is expected to hit 9% by 2016.

The ease of online research has sharpened price competition and brick and mortar retailers are racing to accommodate the new consumer patterns by focusing on enhancing the shopping experience. This includes the development of more intimate shopping environments, use of social media to reach buyers, higher levels of customer service, specialized merchandise that cannot be purchased elsewhere and expanding the selection of goods offered with in-store kiosks supplemented with timely deliveries.

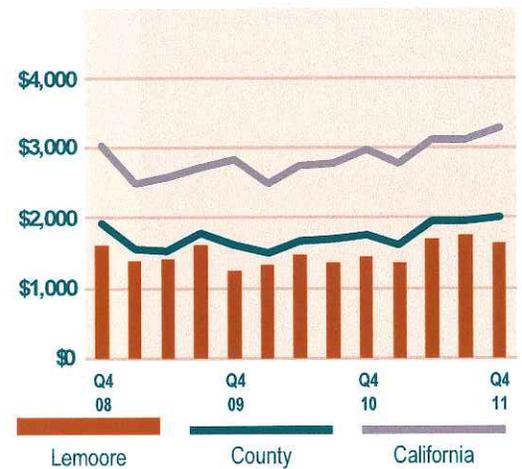
To cut overhead and compete on price, more retailers are going to the “endless aisle” concept of selling items not actually in the store. This allows the retailer to increase product variety in a smaller space.

Almost every major retailer has plans for either downsizing the footprint of new stores or subleasing space in existing stores.

On the plus side, this trend allows entrance into retail markets too

small for large format stores to be feasible. Less populous communities could find their retail bases growing with new compact stores offering the same or more merchandise as their larger counterparts. Communities with substantial existing retail could see new challenges in filling vacated space while also keeping up with the need for more inviting shopping environments.

**SALES PER CAPITA**



**LEMOORE TOP 15 BUSINESS TYPES**

Business Type	Lemoore		County	HdL State
	Q4 '11	Change	Change	Change
Auto Repair Shops	3,563	-9.8%	-3.7%	6.0%
Automotive Supply Stores	22,171	10.6%	11.7%	4.1%
Discount Dept Stores	— CONFIDENTIAL —		-0.8%	4.1%
Drug Stores	— CONFIDENTIAL —		8.1%	8.0%
Food Mfg.	5,378	-2.5%	121.3%	2.6%
Fuel/Ice Dealers	— CONFIDENTIAL —		29.8%	17.7%
Grocery Stores Beer/Wine	11,176	1.6%	9.6%	4.4%
Grocery Stores Liquor	— CONFIDENTIAL —		-6.3%	-1.2%
Petroleum Prod/Equipment	— CONFIDENTIAL —		63.5%	31.0%
Restaurants Beer And Wine	10,832	24.3%	-2.6%	-0.3%
Restaurants Liquor	5,879	99.8%	3.9%	9.9%
Restaurants No Alcohol	36,702	6.7%	7.3%	7.2%
Service Stations	82,443	8.9%	15.6%	14.7%
Specialty Stores	3,546	-28.9%	3.9%	0.8%
Variety Stores	3,790	2.6%	9.0%	9.0%
<b>Total All Accounts</b>	<b>\$405,729</b>	<b>9.5%</b>	<b>11.1%</b>	<b>7.8%</b>
<b>County &amp; State Pool Allocation</b>	<b>58,488</b>	<b>-23.1%</b>		
<b>Gross Receipts</b>	<b>\$464,216</b>	<b>3.9%</b>		
City/County Share	(9,284)	-3.9%		
<b>Net Receipts</b>	<b>\$454,932</b>	<b>3.9%</b>		