

Q4 2013



City of Red Bluff Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (October - December 2013)

Red Bluff In Brief

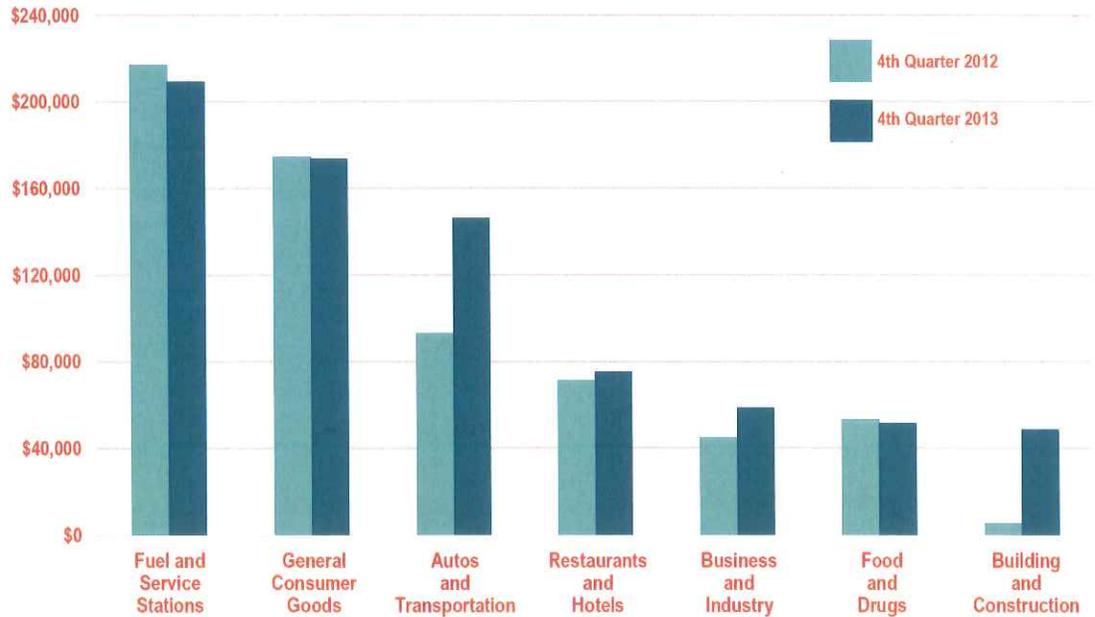
Receipts for Red Bluff's October through December sales were 16.9% above the same quarter one year ago. Excluding payment anomalies, actual sales were up 11.4%.

Gains were primarily in the autos and transportation, business and industry and restaurants/hotel categories. Multiple business segments in all of these groups showed gains though a reporting aberration that temporarily cut restaurant receipts a year ago exaggerated the comparison for that category.

Lower prices at the pump cut fuel and service station totals as they did throughout the region and state. Though general consumer and food and drug sales appeared to be down, the declines were due to one-time accounting adjustments, not decreased sales.

Adjusted for aberrations, taxable sales for all of Tehama County increased 6.5% over the comparable time period, while the Far North region as a whole was up 5.8%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Adobe Minimart	One Stop Gas & Food
Antelope Valero	Pneumatic Conveying & Manufacturing
Arco AM PM	Raleys Supermarket
CVS Pharmacy	Red Bluff AM PM
Exxon Food Mart	Red Bluff Chrysler Dodge Jeep Ram
Food Maxx	Red Bluff Shell
Growney Motors Buick/GMC	Staples
Home Depot	Taco Bell
Les Schwab Tire Center	Tesoro West Coast
Liquor & Food	Tractor Supply Company
Main Street Chevron	Walgreens
McDonalds	Walmart
More for Less Gas	

REVENUE COMPARISON

Two Quarters - Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$1,438,698	\$1,524,323
County Pool	141,615	167,603
State Pool	184	806
Gross Receipts	\$1,580,497	\$1,692,731
Cty/Cnty Share	(158,050)	(169,273)
Net Receipts	\$1,422,447	\$1,523,458
Less Triple Flip*	\$(355,612)	\$(380,865)

*Reimbursed from county compensation fund

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Statewide Results

Excluding accounting anomalies, the local share of sales and use tax receipts from California's 2013 holiday spending rose 3.4% over the fourth quarter of 2012.

Auto sales and leases and all categories of building and construction materials were substantially up over the previous year while tourism and convenience-driven consumer demand continued to produce healthy gains in restaurant related revenues.

Sales of luxury goods and portable electronics did particularly well while cut backs in food stamp programs and unemployment benefits reduced spending at discount department stores and many value oriented retailers. Generally, the gains in sales from online purchases were higher than for brick and mortar stores.

Rising fuel efficiency resulted in lower receipts from service stations and petroleum supply companies while a slowing pace in solar and alternate energy development reduced use tax receipts from the business/industrial segment.

Spending patterns were fairly consistent throughout most regions.

E-Commerce Spending Up

Tax receipts from holiday spending on general consumer goods at brick and mortar stores grew by 2.3% over last year's comparable quarter while local tax revenues from online purchases increased 16% and accounted for 10.3% of total general consumer goods sales and use tax receipts.

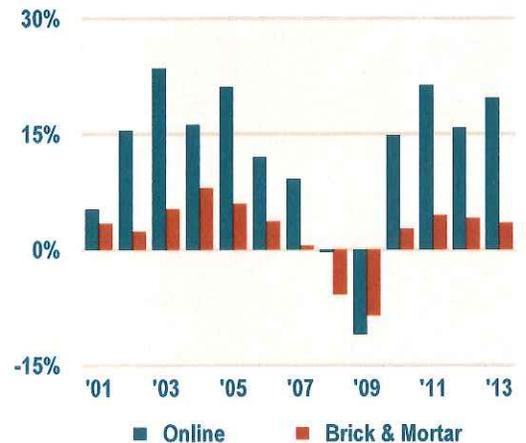
The rise in online retail shopping accelerates trends that began 20 years ago by sellers of materials and equipment to business and industrial users. Suppliers were able to take advantage of business preferences for the ease

of online ordering by consolidating sales offices and inventories into just a few locations.

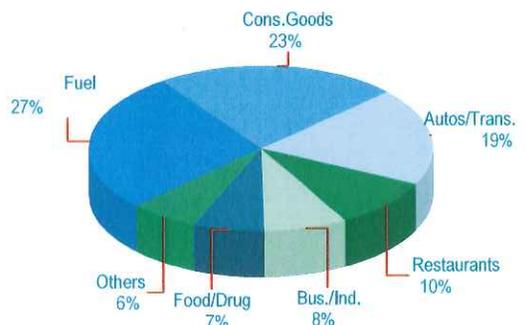
However, it was not until social networking and growth in the use of mobile devices that the general public became fully comfortable with online purchasing. Retail analysts expect the trend to expand and every major retailer is testing new concepts to reduce store size and overhead costs by driving more of their sales to centralized web-based order desks.

New technology, recent court decisions and legislative exemptions are constantly reducing what is taxable and has substantially altered the base on which the tax was created in 1933. The concentration of business supplies and now consumer goods into fewer and larger "points of sale" has accelerated competition for what is becoming a diminishing resource. Local governments are now bidding rebates up to 85% of the local tax collected in exchange for location of order desks.

ONLINE VS. BRICK & MORTAR
Year-Over-Year Percent Growth



REVENUE BY BUSINESS GROUP
Red Bluff This Quarter



RED BLUFF TOP 15 BUSINESS TYPES

Business Type	Red Bluff		County	HdL State
	Q4 '13	Change	Change	Change
Auto Repair Shops	9,886	35.8%	6.4%	8.3%
Automotive Supply Stores	23,348	1.7%	-6.9%	3.2%
Casual Dining	25,107	10.6%	14.5%	6.4%
Discount Dept Stores	— CONFIDENTIAL —	—	-1.2%	0.2%
Drug Stores	11,534	-2.6%	0.7%	2.5%
Electronics/Appliance Stores	14,412	3.9%	0.4%	-0.6%
Fine Dining	11,267	-5.0%	3.2%	14.8%
Garden/Agricultural Supplies	22,020	1.4%	6.3%	9.0%
Grocery Stores Liquor	33,011	-3.8%	11.4%	38.8%
Heavy Industrial	15,193	586.7%	149.0%	12.0%
Lumber/Building Materials	— CONFIDENTIAL —	—	na	263.1%
New Motor Vehicle Dealers	— CONFIDENTIAL —	—	25.1%	9.4%
Quick-Service Restaurants	36,655	5.9%	9.0%	7.8%
Service Stations	203,864	-4.0%	-0.7%	-2.8%
Used Automotive Dealers	9,208	-19.3%	-21.9%	16.6%
Total All Accounts	\$763,756	15.7%	10.9%	8.7%
County & State Pool Allocation	\$80,479	29.9%	24.5%	9.4%
Gross Receipts	\$844,235	16.9%	12.0%	8.8%
City/County Share	(84,424)	-16.9%		
Net Receipts	\$759,812	16.9%		