

City of Shoreline
 October 2014 Sales Tax, Real Estate Excise Tax, Development Revenue Report

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All Sales Tax:

Total sales tax receipts for the month of October 2014, which reflects activity from August 2014, are higher than the revised projection by \$41,565, or 6.9%, and the year-ago level by \$33,461, or 5.5% (See Table 1). Year-to-date receipts are higher than the revised projection by \$255,232, or 4.7%, and the year-ago level by \$125,673, or 2.3%. Removing one-time construction activity from the calculation reveals receipts are higher than the revised projection by 2.5% (See Table 3) and the year-ago level by 8.9%.

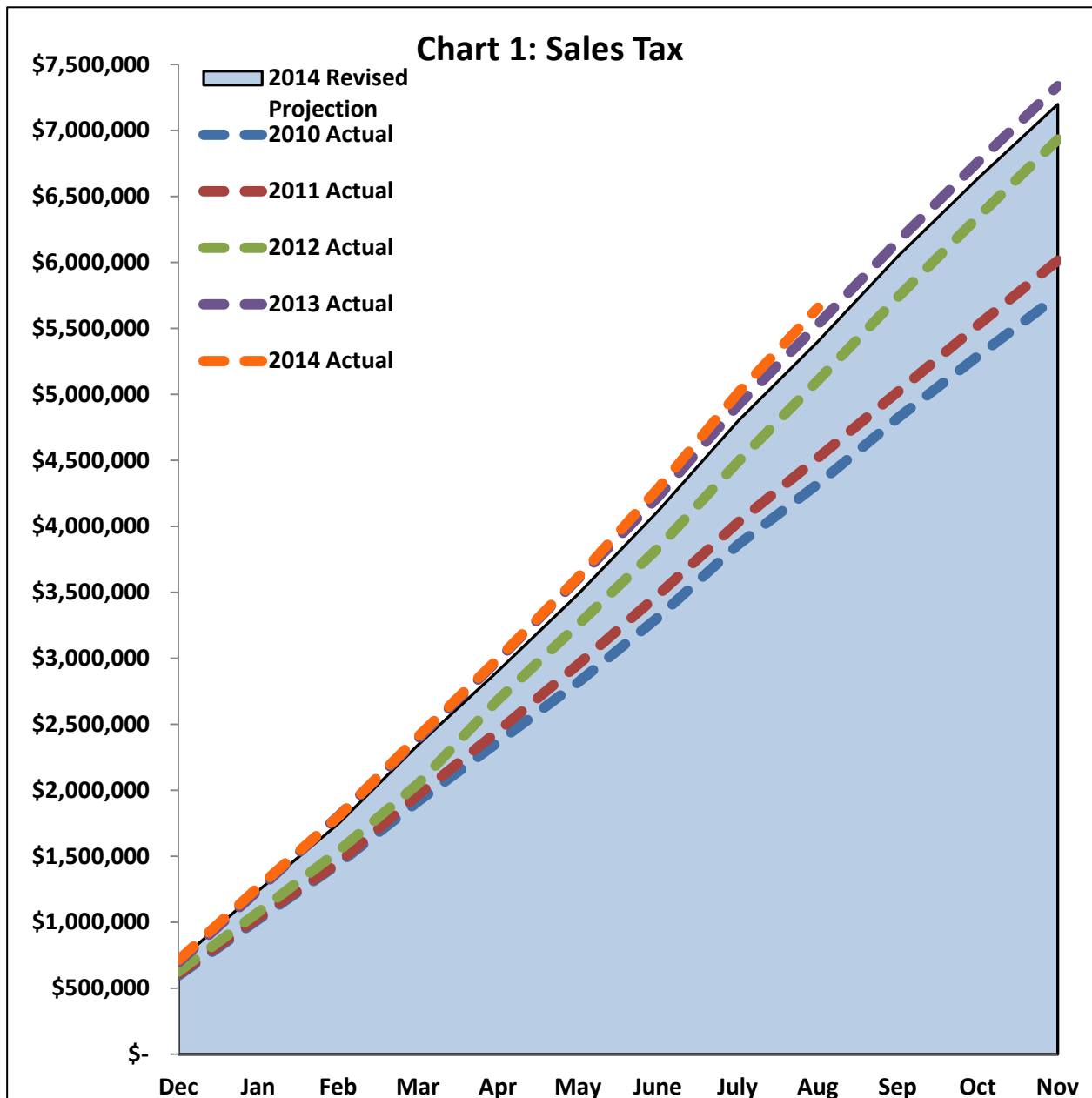
Table 1: All Sales Tax - Variance by Month							
Month of Activity	2014				2013		
	Revised Projection	Actual	Actual v. Rev. Proj. \$ Variance	Actual v. Rev. Proj. % Variance	Actual	2014 v. 2013 \$ Change	2014 v. 2013 % Change
December (Prior Yr)	\$703,000	\$712,174	\$9,175	1.3%	\$695,645	\$16,529	2.4%
January	537,561	554,366	16,804	3.1%	547,817	6,548	1.2%
February	506,773	533,674	26,901	5.3%	561,895	(28,221)	-5.0%
March	598,969	609,471	10,502	1.8%	587,503	21,968	3.7%
April	560,056	587,117	27,061	4.8%	596,554	(9,437)	-1.6%
May	581,115	616,693	35,578	6.1%	612,901	3,792	0.6%
June	629,575	674,044	44,469	7.1%	620,742	53,303	8.6%
July	682,028	725,205	43,177	6.3%	697,475	27,730	4.0%
August	602,871	644,437	41,565	6.9%	610,976	33,461	5.5%
Totals	\$5,401,949	\$5,657,181	\$255,233	4.7%	\$5,531,508	\$125,673	2.3%

Totals may not foot due to rounding.

Table 2 below illustrates that receipts in three of the primary categories are higher compared to their year-ago level; however, receipts in the Construction category are lower since large one-time projects are generating less sales tax than they did in prior years as they come to a close. It is important to note that staff was expecting that receipts from construction would be lower, which is why future reports may show total receipts near, or possibly ahead of, projections, but close to, or possibly lower than, the year-ago level (See Charts 4 and 5).

Table 2: All Sales Tax - Primary Categories December - August						
Primary Category	2009	2010	2011	2012	2013	2014
Construction	\$ 678,712	\$403,294	\$462,702	\$900,440	\$1,001,595	\$822,601
\$ Change		(\$275,418)	\$59,408	\$437,738	\$101,155	(\$178,994)
% Change		-40.6%	14.7%	94.6%	11.2%	-17.9%
Retail Trade	\$ 2,803,534	\$2,812,739	\$2,878,940	\$3,084,798	\$3,308,270	\$3,444,769
\$ Change		\$9,205	\$66,201	\$205,858	\$223,472	\$136,499
% Change		0.3%	2.4%	7.2%	7.2%	4.1%
Hotels / Restaurant	\$ 275,349	\$280,301	\$282,698	\$292,619	\$314,821	\$332,033
\$ Change		\$4,952	\$2,397	\$9,921	\$22,202	\$17,213
% Change		1.8%	0.9%	3.5%	7.6%	5.5%
All Others	\$ 796,296	\$825,958	\$896,092	\$829,972	\$906,822	\$1,057,778
\$ Change		\$29,662	\$70,134	(\$66,120)	\$76,850	\$150,956
% Change		3.7%	8.5%	-7.4%	9.3%	16.6%
Total Revenue	\$ 4,553,891	\$4,322,292	\$4,520,432	\$5,107,829	\$5,531,508	\$5,657,181
\$ Change		(\$231,599)	\$198,140	\$587,397	\$423,679	\$125,673
% Change		-5.1%	4.6%	13.0%	8.3%	2.3%

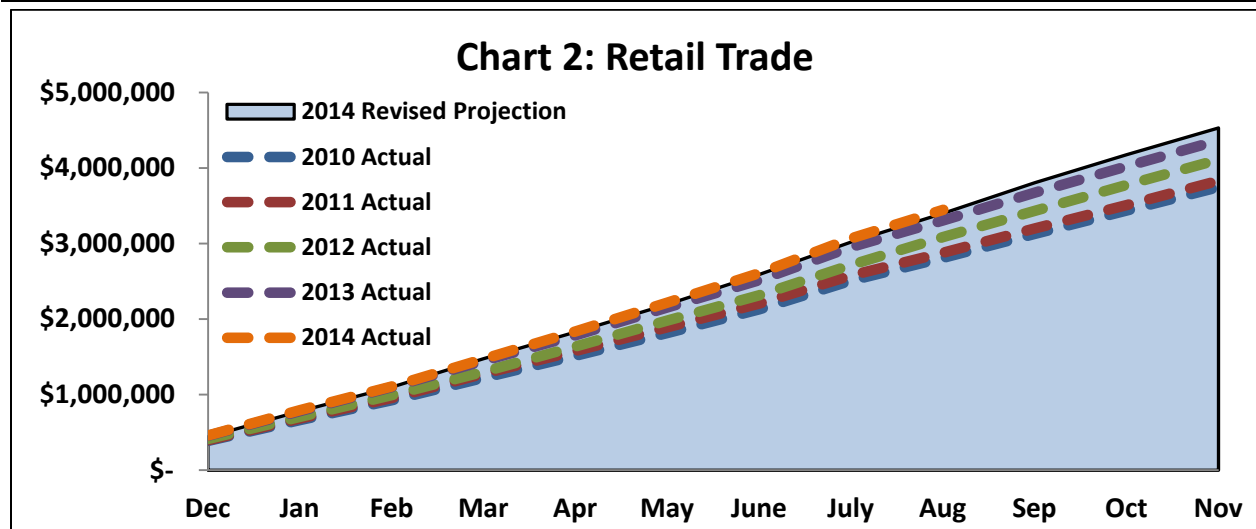
Table 3: Comparison of 2014 YTD Actual to 2014 Budget and 2014 Revised Projection					
Category	2014 YTD Revised Projection	2014 YTD Actual	2014 YTD Actual Less One-Time	2014 YTD v. 2014RP	2014 YTD Less One-Time v. 2014RP
Retail Trade Sector	\$3,399,927	\$3,444,769	\$3,444,769	1.3%	1.3%
Construction Sector	648,203	822,601	704,406	26.9%	8.7%
Other Taxable Sales Sectors	\$1,353,819	1,389,811	1,389,811	2.7%	2.7%
Total Local Sales & Use Tax	\$5,401,949	\$5,657,181	\$5,538,986	4.7%	2.5%
Totals may not foot due to rounding.					



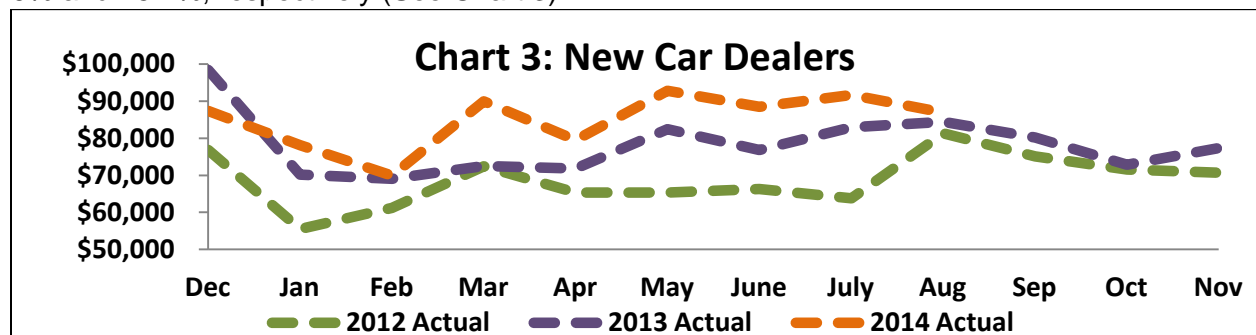
Retail Trade:

Receipts from activity for August 2014 total \$374,130 and are less than the revised projection by 3.0% but higher than the year-ago level by 5.4%. Year-to-date receipts are slightly lower than the revised projection (-0.3%) but higher than the year-ago level by 4.1% (See Table 4).

Table 4: Retail Trade Categories December - August					
Category	2012	2013 v. 2012 % Change	2013	2014	2014 v. 2013 % Change
Motor Veh. & Parts Dealer	\$752,553	12.8%	\$848,739	\$929,393	9.5%
Furniture & Home Furnishings	38,663	15.8%	44,786	46,751	4.4%
Electronics & Appliances	73,227	-4.7%	69,750	82,052	17.6%
Building Material & Garden	447,805	13.4%	507,754	523,390	3.1%
Food & Beverage Stores	195,626	1.9%	199,323	190,185	-4.6%
Health & Personal Care Stores	111,000	9.1%	121,057	125,828	3.9%
Gasoline Stations	55,983	2.2%	57,232	57,485	0.4%
Clothing & Accessories	32,133	7.0%	34,373	36,196	5.3%
Sporting Goods, Hobby, Books	56,114	3.0%	57,798	60,039	3.9%
General Merchandise Stores	1,041,760	2.8%	1,071,339	1,075,617	0.4%
Miscellaneous Store Retailers	190,942	-1.0%	189,078	189,280	0.1%
Nonstore Retailers	88,992	20.3%	107,042	128,552	20.1%
Total Retail Trade	\$3,084,798	7.2%	\$3,308,270	\$3,444,769	4.1%

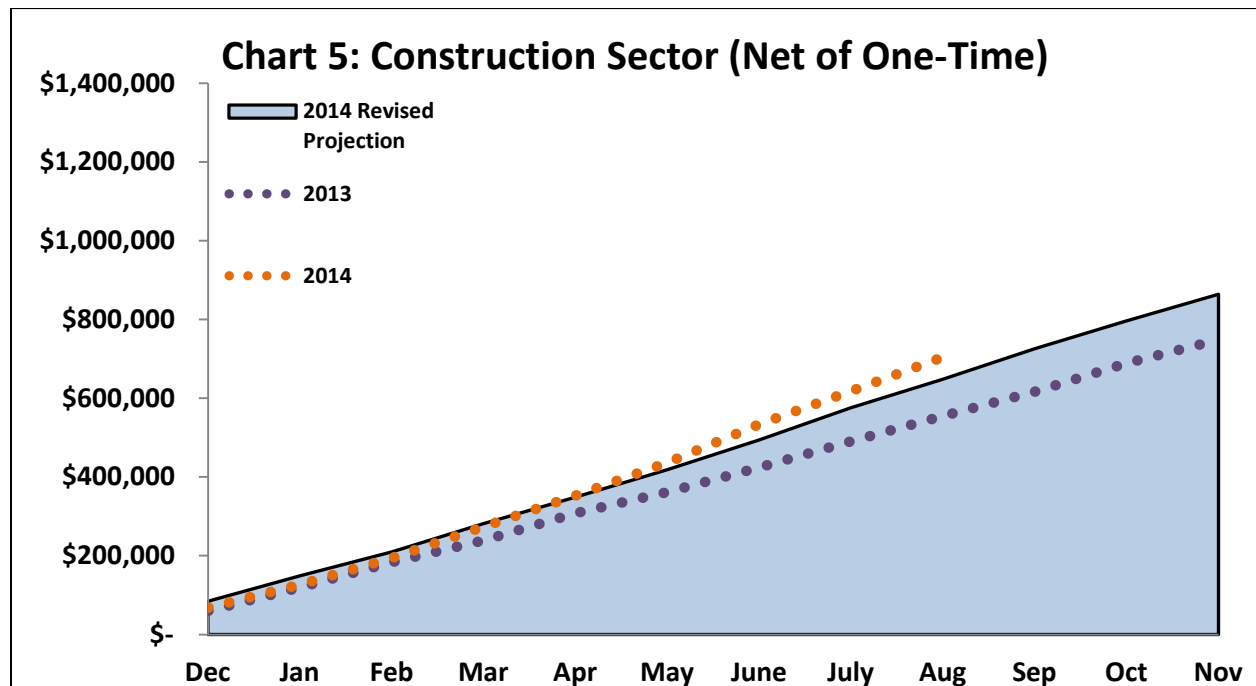
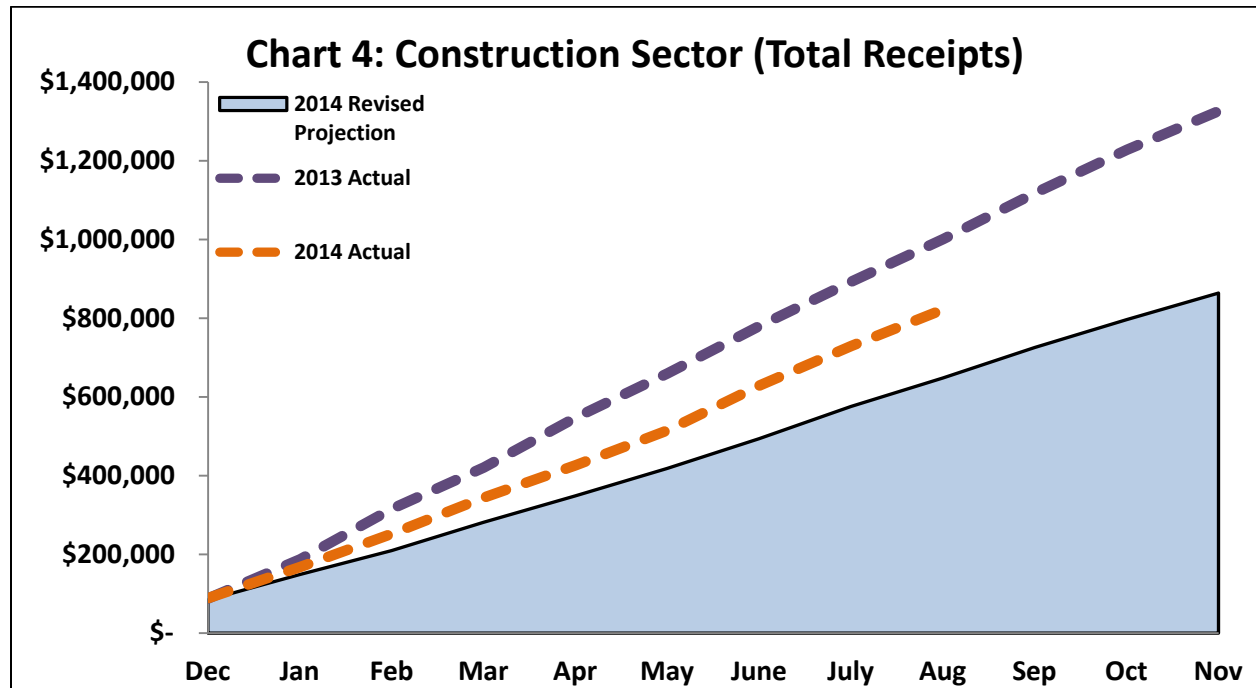


There has been significant growth in the Motor Vehicle and Parts Dealer category since 2011. Approximately 82.3% of receipts in this category come from new car dealers. Receipts for the month of August were higher than those for the same period of 2013 and 2012 by 2.9% and 6.9%, respectively. Year-to-date receipts are higher than those for the same period of 2013 and 2012 by 7.9% and 25.7%, respectively (See Chart 3).



Construction:

Receipts from activity for August 2014 total \$92,260 and are lower than the year-ago level by 14.7%. Receipts from activity for the period of December 2013 through August 2014 are lower than the year-ago level by 17.9% (See Table 2 and Chart 4). Of the amount collected so far this year, \$118,195, or 14.4%, is attributable to one-time activity. Of the amount collected for the same period of 2013, \$446,744, or 44.6%, was attributable to one-time activity. Removing one-time activity from the calculation reveals receipts are higher than the revised projection by 8.7% and the year-ago level by 27.0% (See Chart 5).

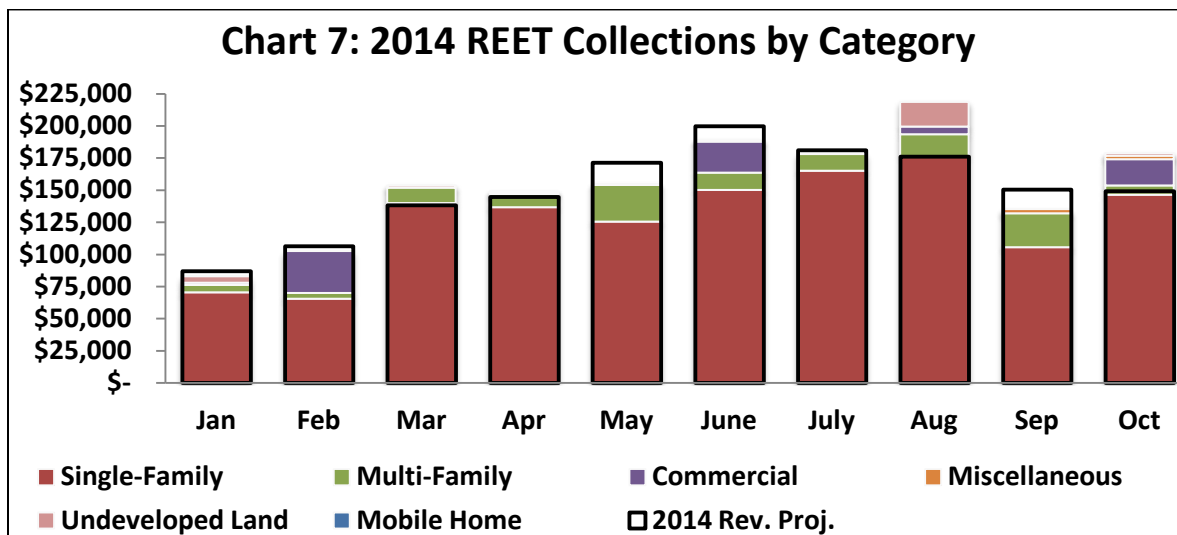
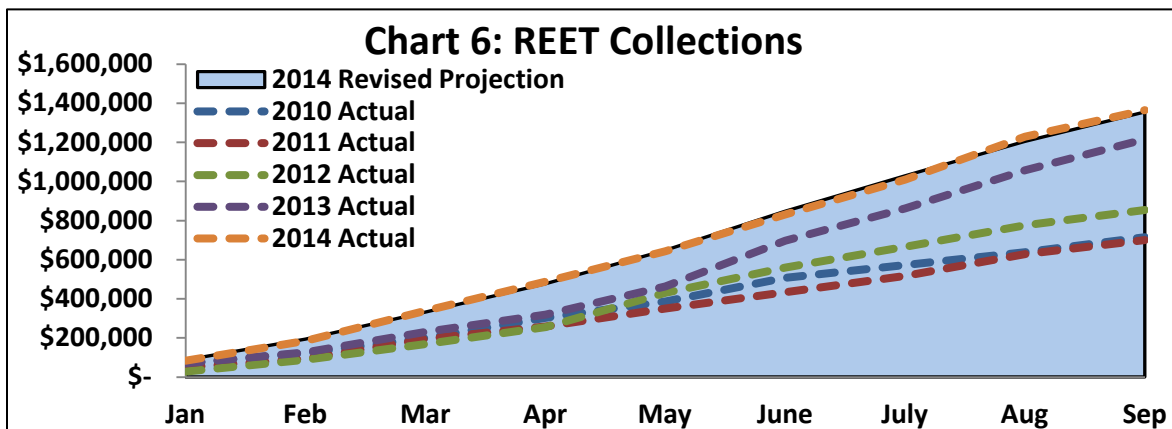


REET Actual vs. Revised Projection:

Total REET collections through October 2014 totaling \$1,543,045 are ahead of the revised projection by 2.6% and the year-ago level by 14.2%. Table 5 and Chart 6 below exhibit the REET collections for the period of January through October. Chart 7 below exhibits the actual collections by category compared to the overall revised projection for each month.

Table 5: REET Collections							
Month of Activity	2014				2013	2014 v. 2013	
	Revised Projection	Actual	Actual v. Rev. Proj.	Actual v. Rev. Proj.	Actual	Actual \$ Change	Actual % Change
January	\$86,975	\$82,900	(\$4,076)	-4.7%	\$71,253	\$11,647	16.3%
February	106,435	102,625	(3,810)	-3.6%	55,460	47,165	85.0%
March	138,152	153,759	15,608	11.3%	104,298	49,461	47.4%
April	144,673	149,062	4,389	3.0%	87,703	61,359	70.0%
May	171,293	154,550	(16,743)	-9.8%	145,230	9,320	6.4%
June	199,685	189,068	(10,617)	-5.3%	233,305	(44,237)	-19.0%
July	181,095	178,212	(2,882)	-1.6%	165,156	13,056	7.9%
August	176,120	218,626	42,506	24.1%	194,549	24,077	12.4%
September	150,372	135,348	(15,024)	-10.0%	159,672	(24,324)	-15.2%
October	149,310	178,894	29,584	19.8%	134,106	44,788	33.4%
Totals	\$1,504,110	\$1,543,045	\$38,934	2.6%	\$1,350,733	\$192,311	14.2%

Totals may not foot due to rounding.



REET Transactions:

In October 2014, there were thirteen more transactions with a value that was \$9.0 million more than those for October 2013. Year-to-date there has been sixty-one more transactions with a value that is \$38.5 million more than the year-ago level. Table 6 below exhibits the number of sales and value of all residential and commercial transactions that occurred during the period of January through October in 2013 and 2014.

Table 6: REET Sales (\$ in thousands)							
Month of Activity	2014		2013		2014 v. 2013		
	No. of Sales	Value	No. of Sales	Value	No. of Sales	Value \$ Change	Value % Change
January	46	\$16,580	37	\$14,251	9	\$2,329	16.3%
February	41	20,525	35	11,092	6	9,433	85.0%
March	74	30,752	65	20,860	9	9,892	47.4%
April	84	29,812	57	17,541	27	12,272	70.0%
May	77	30,910	72	29,046	5	1,864	6.4%
June	88	37,814	107	46,661	(19)	(8,847)	-19.0%
July	89	35,642	87	33,031	2	2,611	7.9%
August	108	43,725	93	38,910	15	4,815	12.4%
September	72	27,070	78	31,934	(6)	(4,865)	-15.2%
October	93	35,779	80	26,821	13	8,958	33.4%
Totals	772	\$308,609	711	\$270,147	61	\$38,462	14.2%

Totals may not foot due to rounding.

Table 7 below exhibits the number and value of sales by category that occurred during the period of January through October 2014. The Miscellaneous category comprises properties categorized by the Assessor's Office as land with new buildings being built. The transactions that occurred in September and October were the sale of land with new single-family homes in different stages of construction.

Table 7: 2014 REET Sales by Category (\$ in thousands)												
Month of Activity	Single-Family		Multi-Family		Mobile Home		Commercial		Miscellaneous		Undeveloped	
	No. of Sales	Value	No. of Sales	Value	No. of Sales	Value	No. of Sales	Value	No. of Sales	Value	No. of Sales	Value
January	36	\$14,112	6	\$1,127	0	\$0	1	\$376	0	\$0	3	\$965
February	32	13,080	5	910	0	0	4	6,536	0	0	0	0
March	62	27,976	10	2,421	0	0	0	0	0	0	2	355
April	72	27,358	10	2,050	0	0	1	177	0	0	1	227
May	64	25,110	12	5,735	0	0	0	0	0	0	1	65
June	71	30,053	13	2,690	1	150	1	4,800	0	0	2	121
July	80	33,020	9	2,622	0	0	0	0	0	0	0	0
August	89	35,267	14	3,439	0	0	1	1,200	0	0	4	3,820
September	58	21,121	13	5,288	0	0	0	0	1	660	0	0
October	78	29,276	9	1,478	0	0	3	4,047	1	560	2	417
Totals	642	\$256,374	101	\$27,761	1	\$150	11	\$17,135	2	\$1,220	15	\$5,970

Totals may not foot due to rounding.

Charts 8a and 8b are histograms exhibiting the number of single-family residences that sold in 2014.

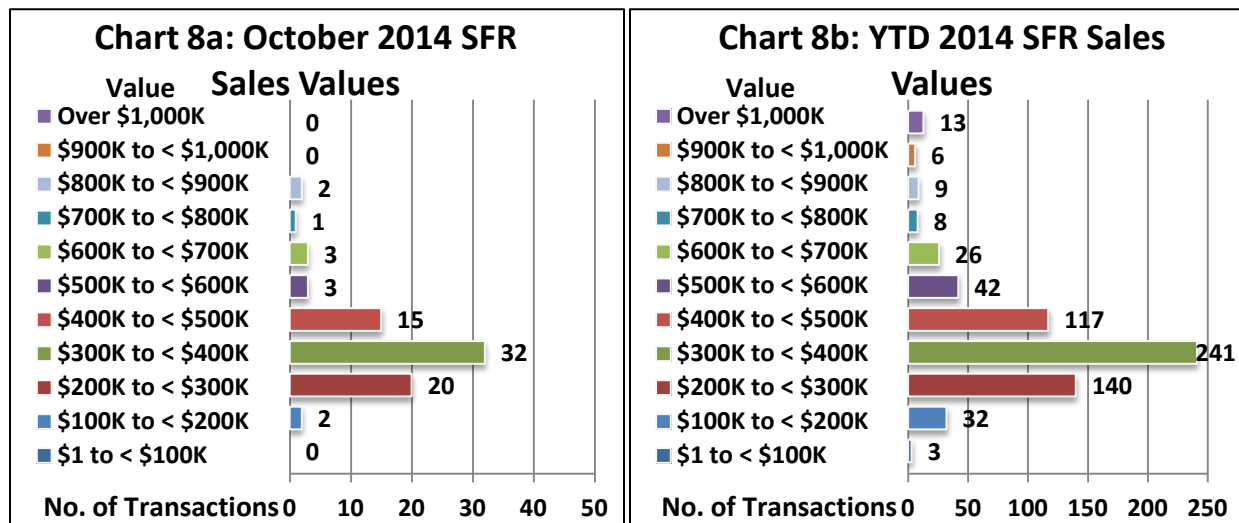
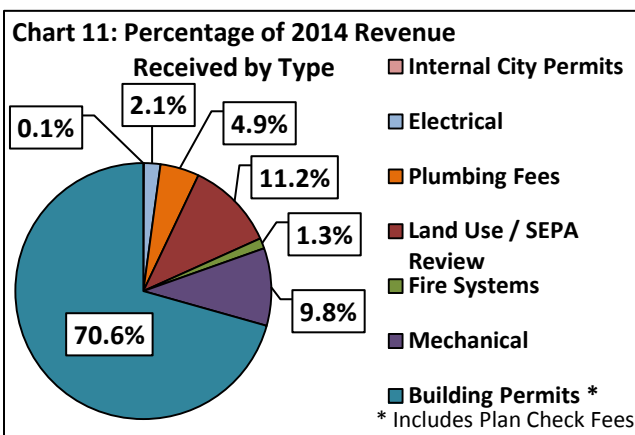
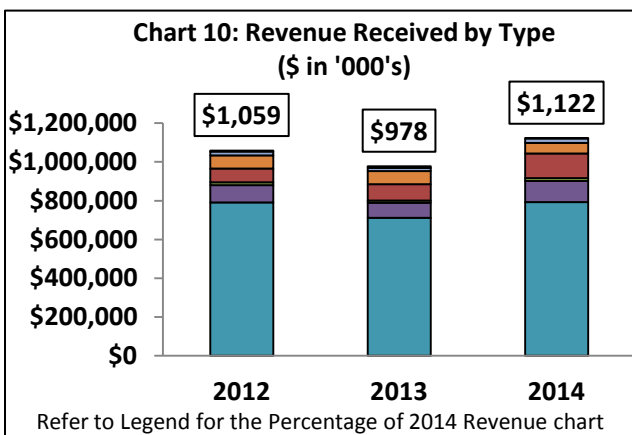
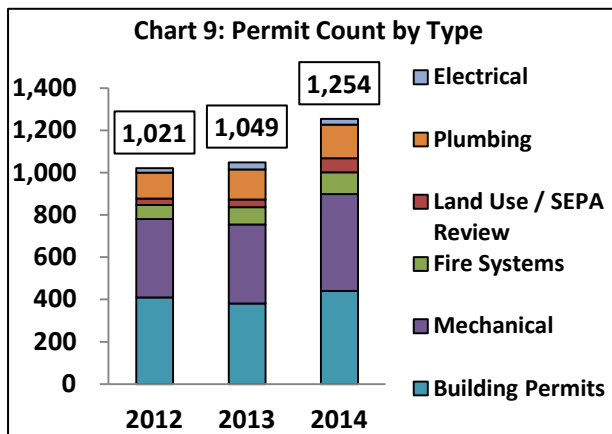


Table 8 below exhibits the number and value of all residential and commercial transactions greater than \$1.0 million. In October 2014, there was one commercial property that sold for more than \$1.0 million. Through October 2014, there have been thirteen SFRs, three undeveloped parcels (sold as one transaction), and nine businesses sold for more than \$1.0 million, which has accounted for \$40.0 million, or 13.0%, of the total sales amount.

Table 8: REET Sales > \$1 Million (\$ in thousands)							
Month of Activity	2014		2013		2014 v. 2013		
	No. of Sales	Value	No. of Sales	Value	No. of Sales	Value \$ Change	Value % Change
January	1	\$1,500	3	\$5,780	(2)	(\$4,280)	-74.1%
February	3	5,966	0	0	3	5,966	0.0%
March	5	6,000	1	1,165	4	4,835	415.0%
April	0	0	0	0	0	0	0.0%
May	1	2,096	4	8,300	(3)	(6,204)	-74.7%
June	3	8,540	4	12,057	(1)	(3,517)	-29.2%
July	2	3,319	2	2,343	0	976	41.7%
August	5	7,138	3	6,875	2	263	3.8%
September	2	2,453	4	5,803	(2)	(3,349)	-57.7%
October	1	3,000	1	1,100	0	1,900	172.7%
Totals	23	\$40,012	22	\$43,423	1	(\$3,411)	-7.9%
Totals may not foot due to rounding.							

Type	2012	2013	2014	# Chg. 2014 v. 2013	% Chg. 2014 v. 2013
Building Permits	410	381	440	59	15.5%
Mechanical	371	374	459	85	22.7%
Fire Systems	67	81	103	22	27.2%
Land Use / SEPA Review	30	37	67	30	81.1%
Plumbing	122	142	159	17	12.0%
Electrical	21	34	26	(8)	-23.5%
Totals	1,021	1,049	1,254	205	19.5%



Permit revenue in October 2014 totaled \$94,202. Total revenue to date is \$1,122,047, which is 44.9% ahead of the projection and 14.8% ahead of the year-ago level.

Issued building permits came in at \$3.0 million valuation for October, comprised 69% of residential and 31% of commercial/multi-family valuation.

Month	Residential				Commercial				Multi-Family			
	New		Add/Remodel		New		Add/Remodel		New		Add/Remodel	
	#	Valuation	#	Valuation	#	Valuation	#	Valuation	#	Valuation	#	Valuation
January	6	\$ 1,939	8	\$ 101	0	\$ -	2	\$ 79	0	\$ -	0	\$ -
February	4	1,363	6	188	0	-	0	-	0	-	1	10
March	9	2,195	10	270	1	4,000	4	920	0	-	0	-
April	2	686	21	1,099	0	-	4	1,835	0	-	8	317
May	6	1,916	24	1,106	2	481	3	390	0	-	4	176
June	0	-	10	522	1	12	6	624	0	-	3	62
July	5	1,100	18	1,841	1	2,457	6	570	0	-	5	50
August	1	343	21	659	1	1,514	3	26	0	-	0	-
September	5	2,039	17	898	1	2,786	1	45	0	-	1	50
October	5	1,044	24	984	0	-	3	388	1	474	1	40
Totals	43	\$ 12,625	159	\$ 7,667	7	\$ 11,250	32	\$ 4,876	1	\$ 474	23	\$ 706