

City of Shoreline
December 2014 Revenue Report

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All Sales Tax Sectors:

When analyzing monthly sales tax receipts, there are two items of special note: First, most businesses remit their sales tax collections to the Washington State Department of Revenue on a monthly basis. Small businesses only have to remit their sales tax collections either quarterly or annually, which can create anomalies when comparing the same month between two years. Second, for those businesses which remit sales tax monthly, there is a two month lag from the time that sales tax is collected to the time it is distributed to the City.

Total sales tax receipts for the month of December 2014, which reflects activity from October 2014, are higher than the budget and revised projections by 8.0% and 1.2%, respectively, but slightly lower than the year-ago level by \$1,890, or 0.3%. Year-to-date receipts are higher than the budget and revised projections by 11.2% and 4.0%, respectively, as well as the year-ago level by 2.1% (See Table 1). Removing one-time construction activity from the calculation reveals receipts are higher than the budget and revised projections by 9.1% and 2.1%, respectively (See Table 3), as well as the year-ago level by 8.9%.

Table 1: Sales Tax - Variance by Month							
Month of Activity	2014				2013		
	Budget Projection	Revised Projection	Actual	Actual v. Bud. Proj. % Var.	Actual v. Rev. Proj. % Var.	Actual	2014 v. 2013 % Change
December (Prior Yr)	\$657,988	\$703,000	\$712,174	↑ 8.2%	↑ 1.3%	\$695,645	↑ 2.4%
January	503,139	537,561	554,366	↑ 10.2%	↑ 3.1%	547,817	↑ 1.2%
February	471,111	506,773	533,674	↑ 13.3%	↑ 5.3%	561,895	↓ -5.0%
March	562,233	598,969	609,471	↑ 8.4%	↑ 1.8%	587,503	↑ 3.7%
April	522,370	560,056	587,117	↑ 12.4%	↑ 4.8%	596,554	↓ -1.6%
May	542,442	581,115	616,693	↑ 13.7%	↑ 6.1%	612,901	↑ 0.6%
June	590,734	629,575	674,044	↑ 14.1%	↑ 7.1%	620,742	↑ 8.6%
July	638,184	682,028	725,205	↑ 13.6%	↑ 6.3%	697,475	↑ 4.0%
August	564,508	602,871	644,437	↑ 14.2%	↑ 6.9%	610,976	↑ 5.5%
September	606,246	645,694	652,470	↑ 7.6%	↑ 1.0%	631,154	↑ 3.4%
October	552,140	589,720	596,506	↑ 8.0%	↑ 1.2%	598,396	↓ -0.3%
Totals	\$6,211,094	\$6,637,362	\$6,906,157	↑ 11.2%	↑ 4.0%	\$6,761,059	↑ 2.1%

Totals may not foot due to rounding.

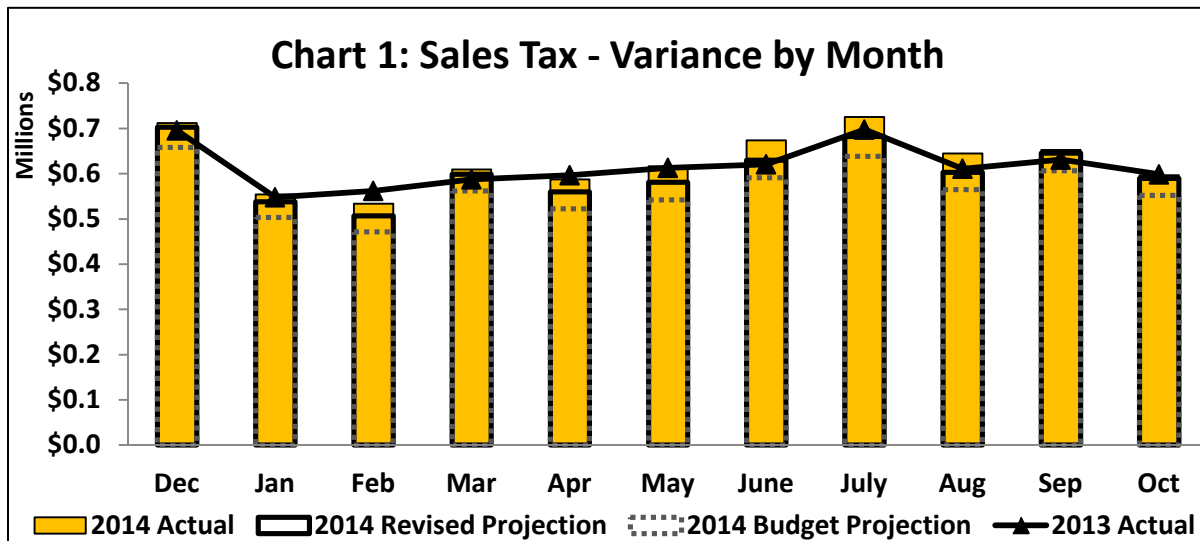


Table 2 and Chart 2 below illustrate that receipts in three of the primary categories continue to be higher compared to their year-ago level; however, receipts in the Construction category are lower since large one-time projects are generating less sales tax than they did in prior years as they come 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 6 and 7).

Table 2: Sales Tax - Primary Categories December - October					
Primary Category	2010	2011	2012	2013	2014
Construction	\$498,326	\$587,486	\$1,186,984	\$1,228,590	\$1,014,399
\$ Change	(\$305,218)	\$89,160	\$599,498	\$41,606	(\$214,191)
% Change	-38.0%	17.9%	102.0%	3.5%	-17.4%
Retail Trade	\$3,437,985	\$3,509,900	\$3,774,724	\$4,021,977	\$4,177,602
\$ Change	\$43,607	\$71,915	\$264,824	\$247,253	\$155,625
% Change	1.3%	2.1%	7.5%	6.6%	3.9%
Hotels / Restaurant	\$344,480	\$346,705	\$358,676	\$385,922	\$405,521
\$ Change	\$6,460	\$2,225	\$11,971	\$27,246	\$19,599
% Change	1.9%	0.6%	3.5%	7.6%	5.1%
All Others	\$1,010,253	\$1,080,803	\$1,024,047	\$1,124,570	\$1,308,635
\$ Change	\$28,245	\$70,549	(\$56,756)	\$100,523	\$184,066
% Change	2.9%	7.0%	-5.3%	9.8%	16.4%
Total Revenue	\$5,291,044	\$5,524,894	\$6,344,431	\$6,761,059	\$6,906,157
\$ Change	(\$226,906)	\$233,849	\$819,537	\$416,628	\$145,098
% Change	-4.1%	4.4%	14.8%	6.6%	2.1%

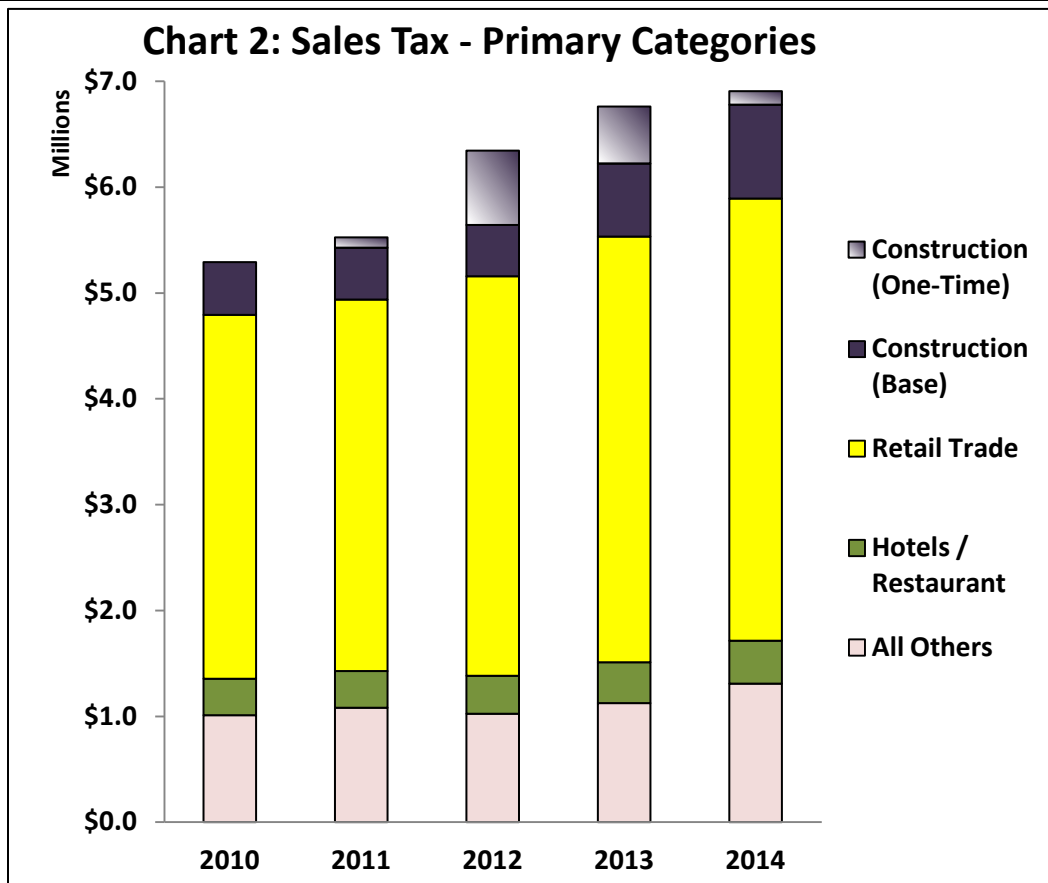
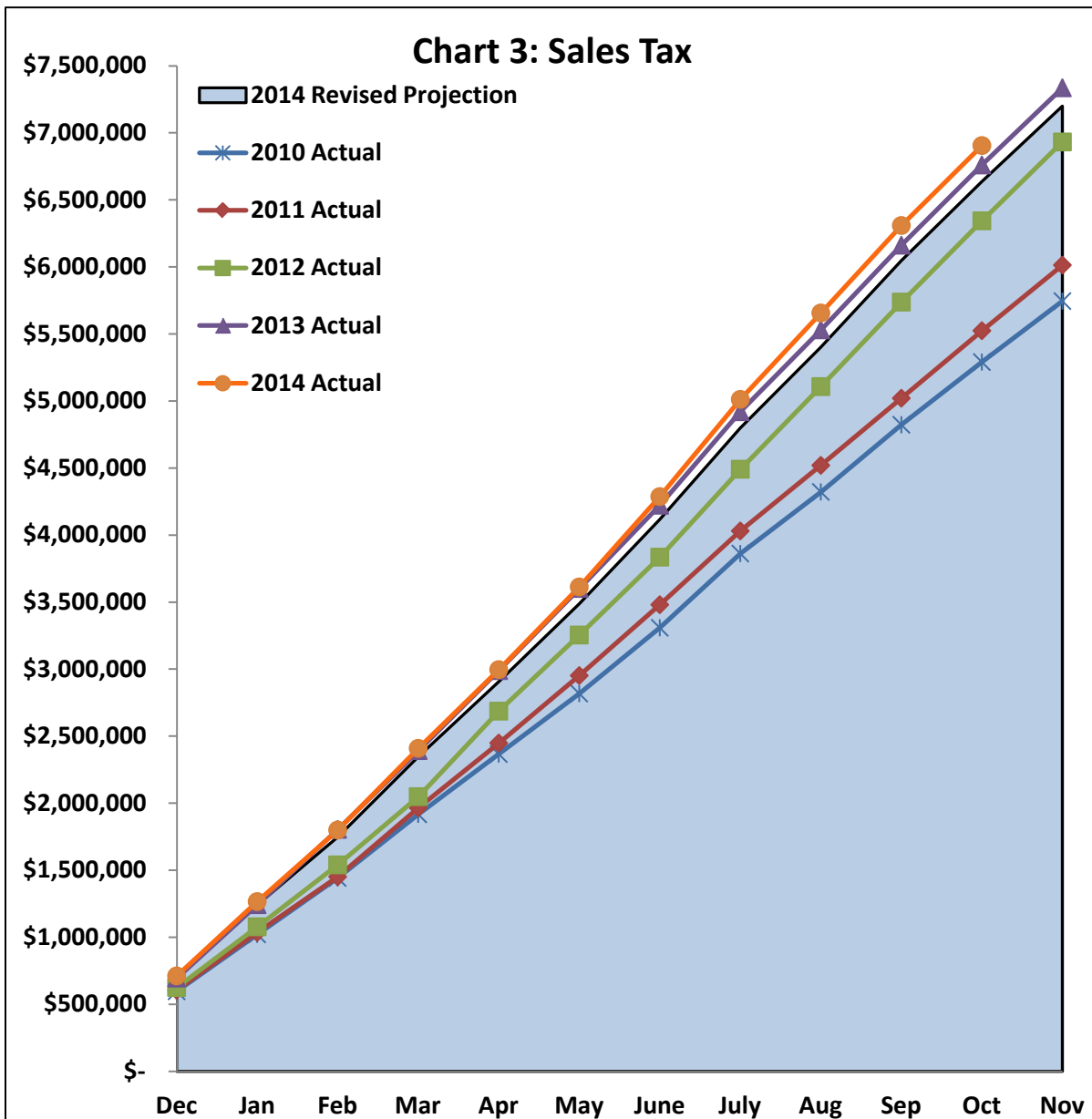


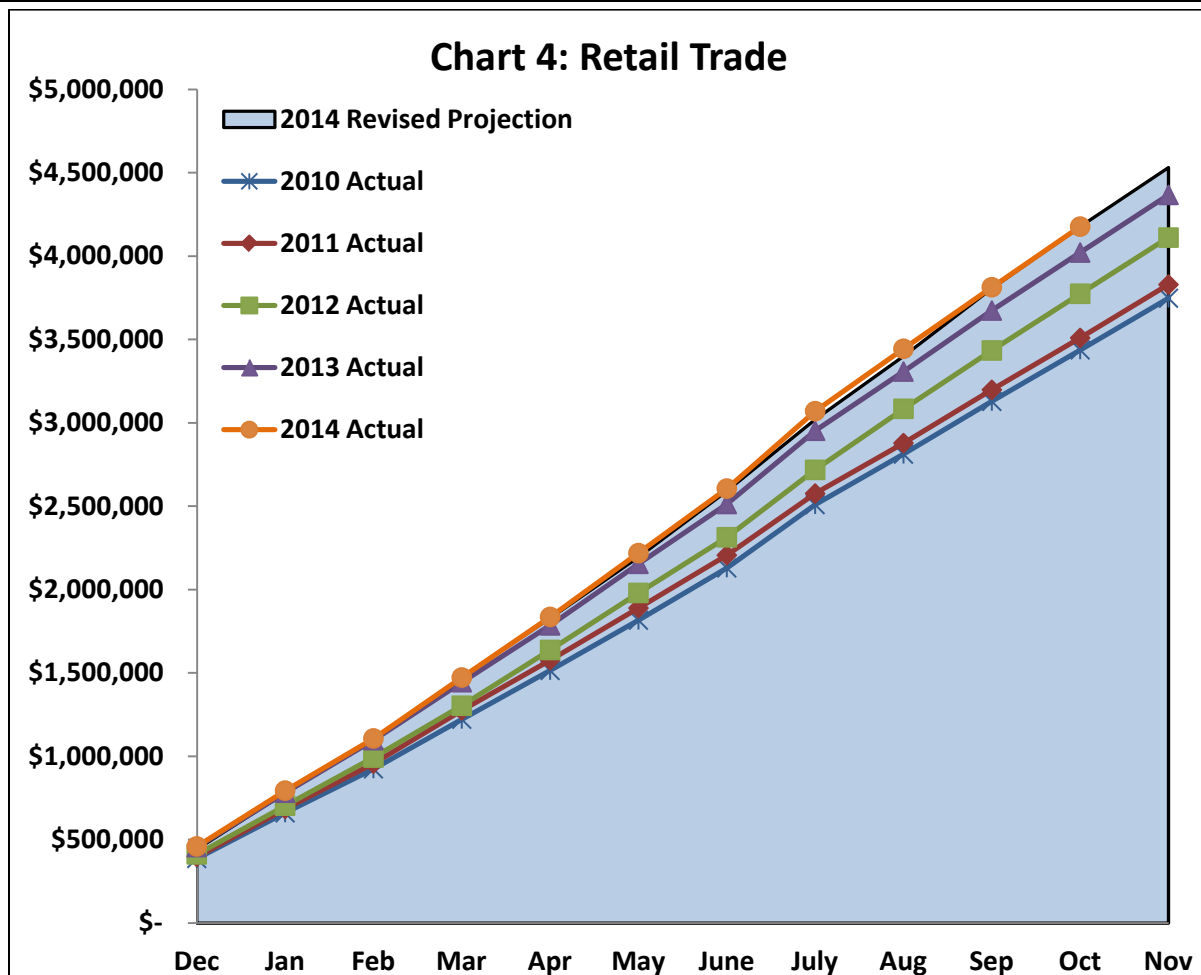
Table 3: Comparison of 2014 YTD Actual Less One-Time to 2014 Budget Projection and 2014 Revised Projection December - October							
Category	2014 YTD Budget Projection	2014 YTD Revised Projection	2014 YTD Actual	2014 YTD Actual Less One-Time	2014 YTD Actual Less One-Time v. 2014 YTD Bud. Proj.	2014 YTD Actual Less One-Time v. 2014 YTD Rev. Proj.	
Retail Trade Sector	\$3,975,127	\$4,177,482	\$4,177,602	\$4,177,602	↑ 5.1%	↑ 0.0%	
Construction Sector	881,290	796,446	1,014,399	885,921	↑ 0.5%	↑ 11.2%	
Other Taxable Sales Sectors	\$1,354,677	1,515,641	1,714,156	1,714,156	↑ 26.5%	↑ 13.1%	
Total Local Sales & Use Tax	\$6,211,094	\$6,637,362	\$6,906,157	\$6,777,679	↑ 9.1%	↑ 2.1%	
Totals may not foot due to rounding.							



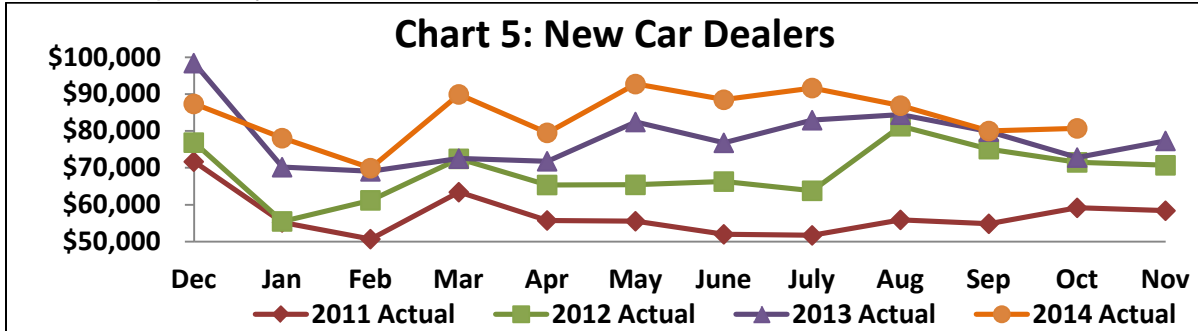
Retail Trade Sector:

Receipts from activity for October 2014 are higher than the budget projection by 2.9%, lower than the revised projection by 2.1%, and higher than the year-ago level by 4.5%. Year-to-date receipts are higher than the budget projection by 5.1%, nearly equal to the revised projection (See Table 3 and Chart 4), and higher than the year-ago level by 3.9% (See Table 4).

Table 4: Retail Trade Categories December - October							
Category	2012	2013 v. 2012 % Change		2013	2014	2014 v. 2013 % Change	
Motor Veh. & Parts Dealer	\$930,366	↑	11.2%	\$1,034,548	\$1,122,784	↑	8.5%
Furniture & Home Furnishings	47,767	↑	10.5%	52,766	55,983	↑	6.1%
Electronics & Appliances	85,180	↓	-0.9%	84,453	97,081	↑	15.0%
Building Material & Garden	555,962	↑	10.9%	616,497	642,697	↑	4.2%
Food & Beverage Stores	241,364	↑	0.4%	242,251	233,606	↓	-3.6%
Health & Personal Care Stores	136,373	↑	8.6%	148,047	153,460	↑	3.7%
Gasoline Stations	68,334	↑	1.5%	69,345	70,038	↑	1.0%
Clothing & Accessories	40,497	↑	4.2%	42,209	46,914	↑	11.1%
Sporting Goods, Hobby, Books	70,217	↑	6.5%	74,805	76,583	↑	2.4%
General Merchandise Stores	1,257,378	↑	2.9%	1,294,287	1,293,329	↓	-0.1%
Miscellaneous Store Retailers	232,826	↓	-0.5%	231,637	229,023	↓	-1.1%
Nonstore Retailers	108,460	↑	20.9%	131,132	156,104	↑	19.0%
Total Retail Trade	\$3,774,724	↑	6.6%	\$4,021,977	\$4,177,602	↑	3.9%

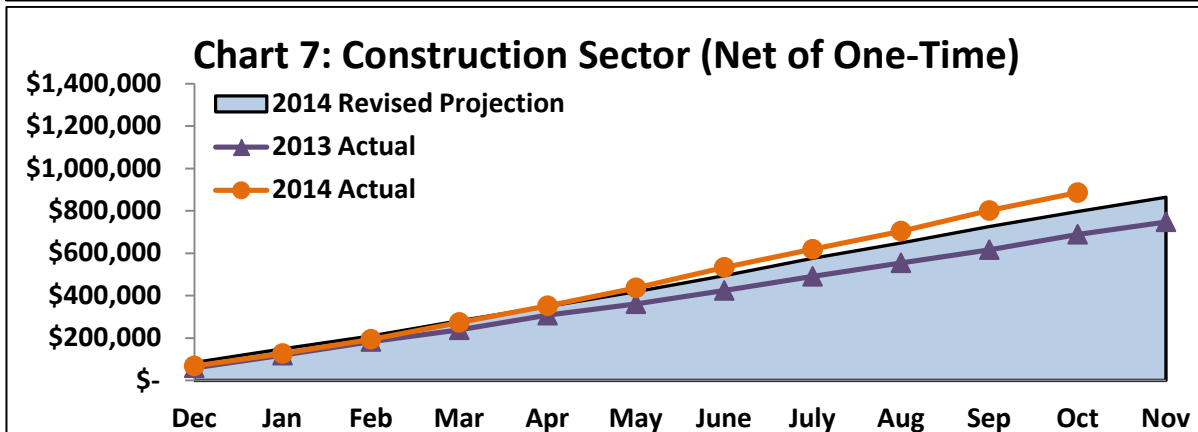
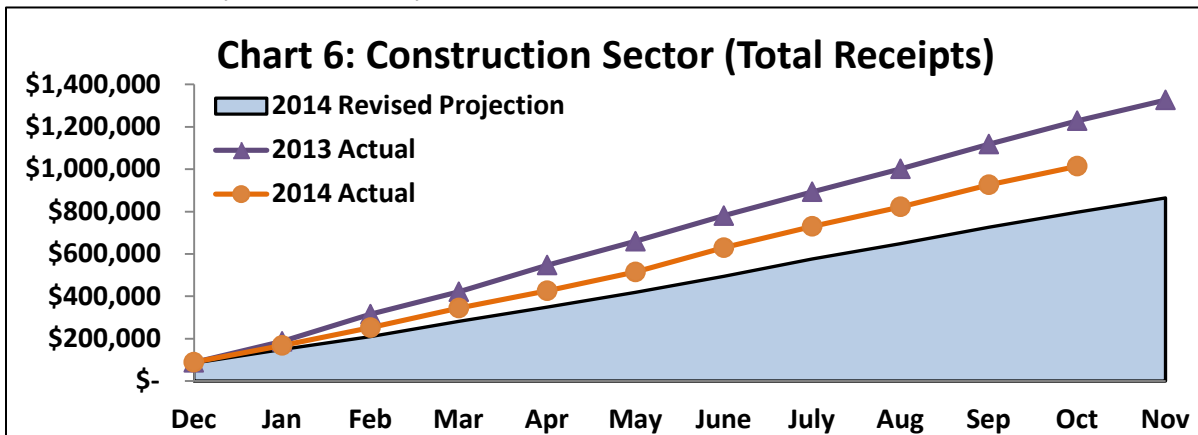


There has been significant growth in receipts from new car dealers (in the Motor Vehicle and Parts Dealer category) since 2011. Receipts for the month of October were higher than those for the same period of 2013, 2012 and 2011 by 10.9%, 12.9%, and 36.4%, respectively (See Chart 5). Year-to-date receipts are higher than those for the same period of 2013 and 2012 by 7.4%, 22.6%, and 47.8%, respectively.



Construction Sector:

Receipts from activity for October 2014 are lower than the year-ago level by 20.3%. Receipts from activity for the period of December 2013 through October 2014 are lower than the year-ago level by 17.4% (See Table 2 and Chart 6). Of the amount collected so far this year, \$128,478, or 12.7%, is attributable to one-time activity. Of the amount collected for the same period of 2013, \$539,144, or 43.9%, was attributable to one-time activity. Removing one-time activity from the calculation reveals receipts are higher than the revised projection by 11.2% and the year-ago level by 28.5% (See Chart 7). As large one-time projects are generating less sales tax than they did in prior years as they come to a close, these changes reflect an increased level of ongoing construction activity within the City.

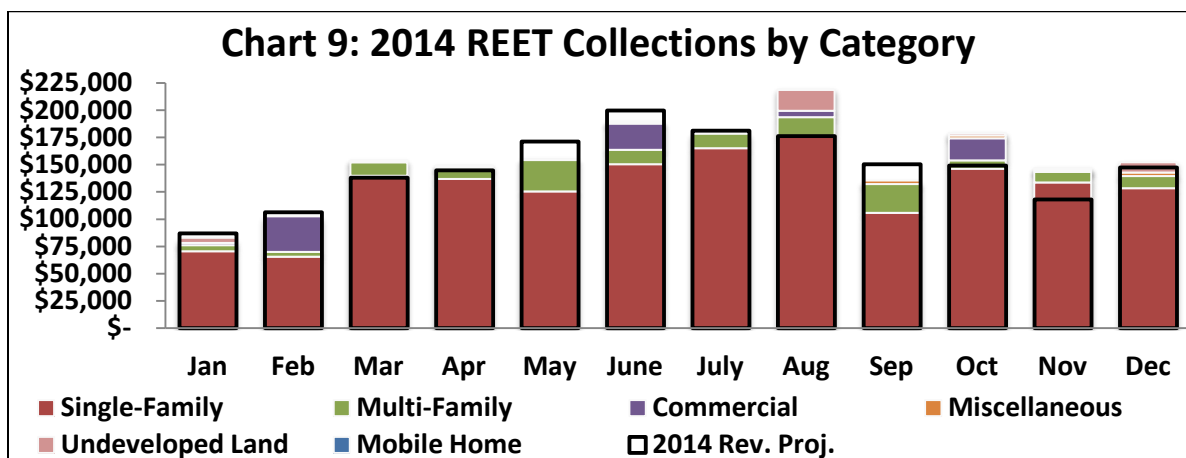
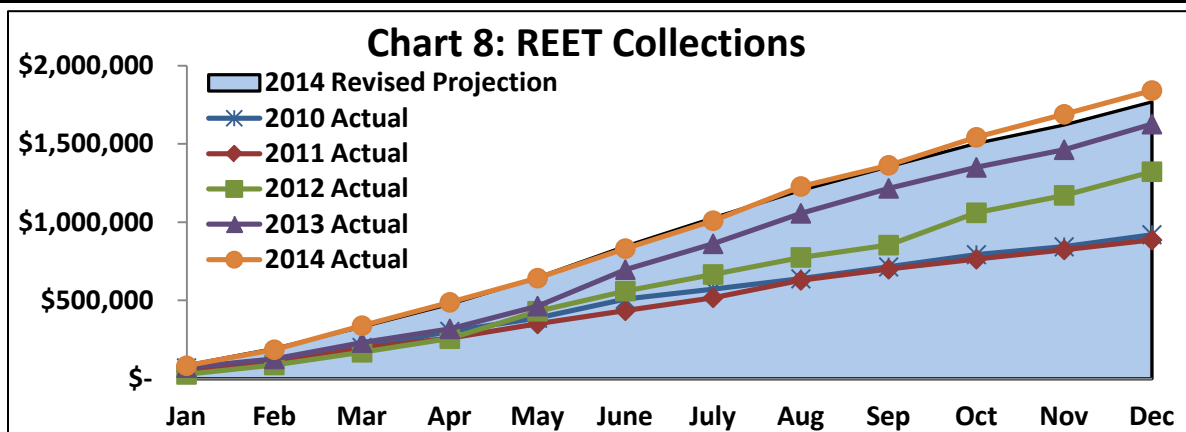


REET Collections:

Total REET collections through December 2014 totaling \$1,842,087 are ahead of the budget projection and revised projection by 17.5% and 4.1%, respectively, as well as the year-ago level by 13.2%. Table 5 and Chart 8 below exhibit the REET collections for the period of January through December. Chart 9 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		
	Budget Projection	Revised Projection	Actual	Actual v. Bud. Proj.	Actual v. Rev. Proj.	Actual	Actual \$ Change	Actual % Change
January	\$77,036	\$86,975	\$82,900	↑ 7.6%	↓ -4.7%	\$71,253	\$11,647	↑ 16.3%
February	94,272	106,435	102,625	↑ 8.9%	↓ -3.6%	55,460	47,165	↑ 85.0%
March	122,364	138,152	153,759	↑ 25.7%	↑ 11.3%	104,298	49,461	↑ 47.4%
April	128,141	144,673	149,062	↑ 16.3%	↑ 3.0%	87,703	61,359	↑ 70.0%
May	151,718	171,293	154,550	↑ 1.9%	↓ -9.8%	145,230	9,320	↑ 6.4%
June	176,866	199,685	189,068	↑ 6.9%	↓ -5.3%	233,305	(44,237)	↓ -19.0%
July	160,400	181,095	178,212	↑ 11.1%	↓ -1.6%	165,156	13,056	↑ 7.9%
August	155,993	176,120	218,626	↑ 40.2%	↑ 24.1%	194,549	24,077	↑ 12.4%
September	133,188	150,372	135,348	↑ 1.6%	↓ -10.0%	159,672	(24,324)	↓ -15.2%
October	132,248	149,310	178,894	↑ 35.3%	↑ 19.8%	134,106	44,788	↑ 33.4%
November	104,480	117,960	146,940	↑ 40.6%	↑ 24.6%	112,914	34,026	↑ 30.1%
December	130,628	147,482	152,103	↑ 16.4%	↑ 3.1%	163,514	(11,411)	↓ -7.0%
Totals	\$1,567,336	\$1,769,553	\$1,842,087	↑ 17.5%	↑ 4.1%	\$1,627,161	\$214,926	↑ 13.2%

Totals may not foot due to rounding.



REET Transactions:

The number of transactions in December 2014 was the same as the year-ago level but the value was \$2.3 million less. Year-to-date there has been seventy-four more transactions with a value that is \$43.0 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 December 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%
November	75	29,388	62	22,583	13	6,805	↑ 30.1%
December	76	30,421	76	32,703	0	(2,282)	↓ -7.0%
Totals	923	\$368,417	849	\$325,432	74	\$42,985	↑ 13.2%

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 December 2014.

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
November	63	26,708	9	1,983	0	0	1	305	1	0	1	391
December	68	25,665	4	2,230	0	0	0	0	1	660	3	1,866
Totals	773	\$308,747	114	\$31,974	1	\$150	12	\$17,440	4	\$1,880	19	\$8,227

Totals may not foot due to rounding.

Charts 10a and 10b are histograms exhibiting the number of single-family residences that sold in 2014 in each of the various price ranges. The majority (78.1%) of the homes sold through December were priced from \$200,000 to \$500,000 with 38.3% priced from \$300,000 to 400,000.

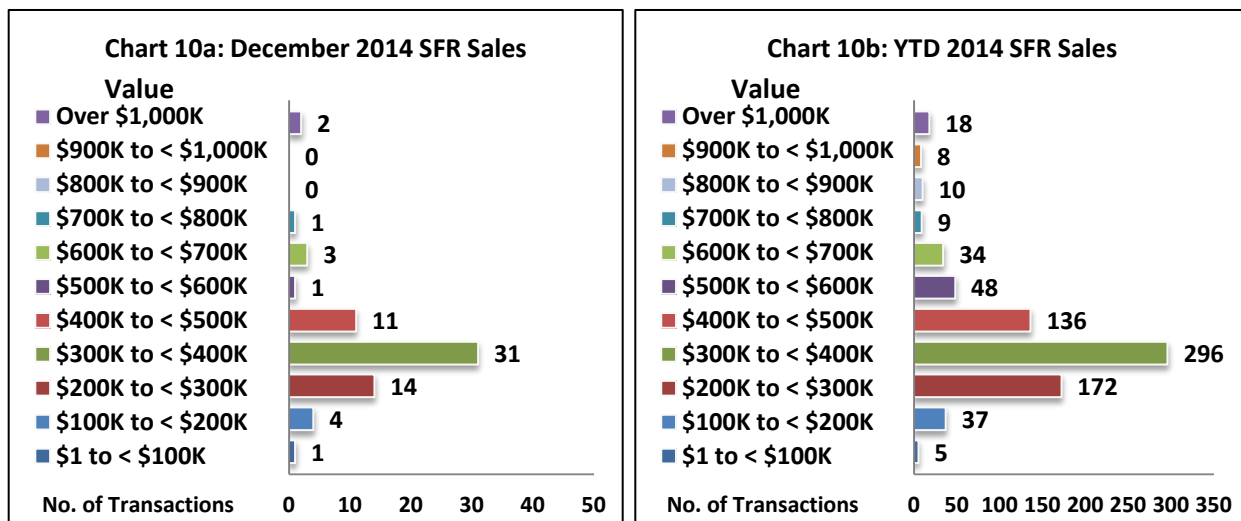
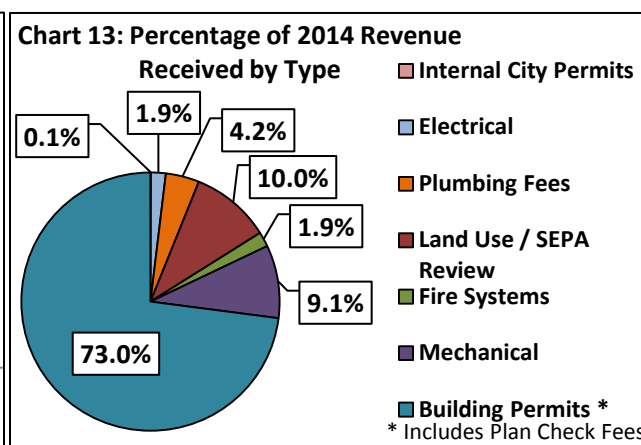
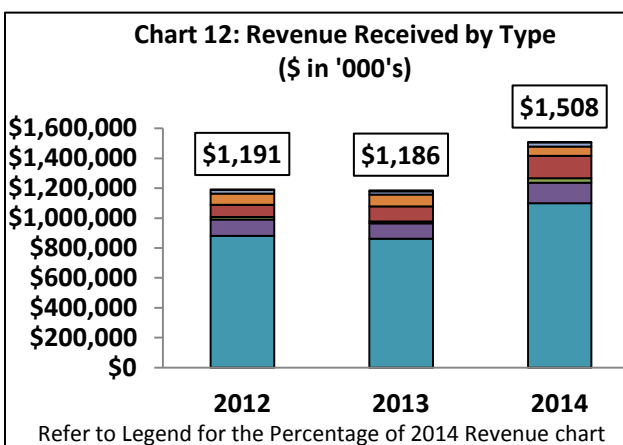
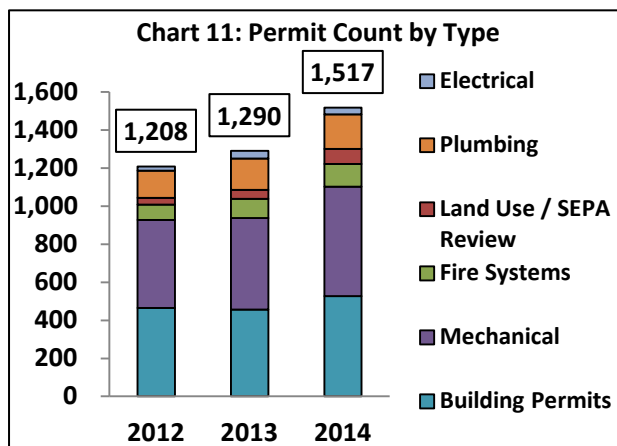


Table 8 below exhibits the number and value of all residential and commercial transactions greater than \$1.0 million. In December 2014, one residential property and three commercial properties (one of which was undeveloped) sold for more than \$1.0 million. Through December 2014, there have been seventeen SFRs, four undeveloped parcels (comprising two sales), and eleven businesses sold for more than \$1.0 million, which has accounted for \$49.9 million, or 13.6%, 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	N/A
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%
November	3	3,965	2	2,480	1	1,485	↑ 59.9%
December	4	5,955	3	5,124	1	831	↑ 16.2%
Totals	30	\$49,932	27	\$51,027	3	(\$1,095)	↓ -2.1%
Totals may not foot due to rounding.							

Type	2012	2013	2014	2014 v. 2013 # Chg.	2014 v. 2013 % Chg.
Building *	465	457	527	70 ↑	15.3%
Mechanical	463	481	576	95 ↑	19.8%
Fire Systems	81	101	119	18 ↑	17.8%
Land Use / SEPA Review	35	46	78	32 ↑	69.6%
Plumbing	142	165	183	18 ↑	10.9%
Electrical	22	40	34	(6) ↓	-15.0%
Totals	1,208	1,290	1,517	227 ↑	17.6%

* Includes Plan Check

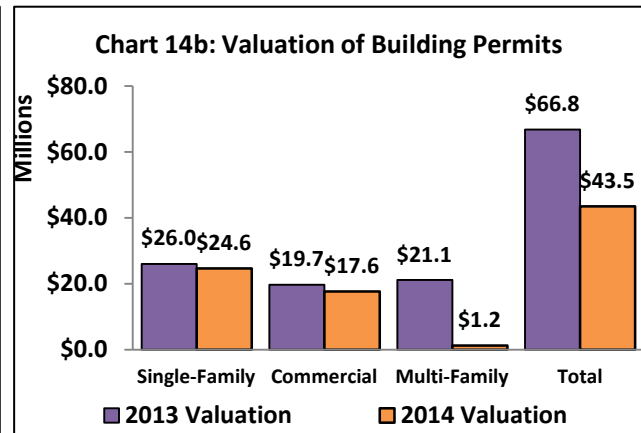
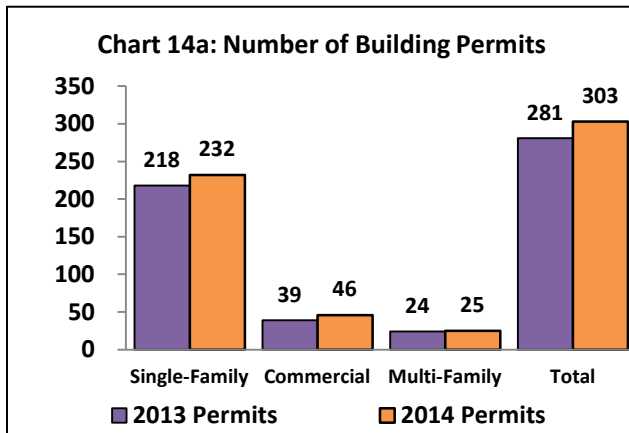


Permit revenue in December 2014 totaled \$298,211. Total revenue to date is \$1,507,996, which is 65.6% ahead of the projection and 27.2% ahead of the year-ago level.

Issued building permits came in at \$3.2 million valuation for December, comprised 66% of residential and 34% 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	\$0	2	\$79	0	\$0	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
November	4	1,335	11	943	0	-	3	458	0	-	1	32
December	6	1,919	9	153	0	-	4	1,047	0	-	0	-
Totals	53	\$15,878	179	\$8,763	7	\$11,250	39	\$6,381	1	\$474	24	\$738

Local development activity in 2014, in terms of the number of building permits pulled in 2014, has increased from the year-ago level (See Chart 14a) but the valuation is lower (See Chart 14b). A substantial portion of the 2013 valuation is related to the timing of the large projects listed below. Significant projects worth mentioning in 2014 are also listed below.



2013 Large Projects:

- **March:**
 - Shoreline Star Apartments: Foundation of residential building (\$2.0M)
 - King County Metro Transit: Remodel (\$3.9M)
- **July:**
 - US Biotek: 2-story office/lab building (\$2.9M)
- **September:**
 - Shoreline Star Apartments: 129-unit residential building (\$16.0M)
- **November:**
 - Chuck Olson Kia: Retail car sales, repair shop and office building (\$2.0M)
 - International Community Health Services: 3-story medical and dental outpatient clinic (\$5.7M)

2014 Large Projects:

- **March:**
 - North City Water District: 3,200 sf pump station (\$4.0M)
- **April:**
 - Washington State Public Health Lab: Remodel (\$1.8M)
- **July:**
 - Washington State Department of Transportation: 1-story office building (\$2.5M)
- **August:**
 - Evergreen School Cedar Building: 2nd floor addition and 2-story addition to the west (\$2.8M)