

From: [Debbie Tarry](#)
To: [Heidi Costello](#)
Subject: FW: September 2014 Sales Tax, REET, Development Revenue Report
Date: Sunday, October 19, 2014 7:47:11 PM
Attachments: [09 September 2014 - Sales Tax-REET-Development Revenue.pdf](#)

For Friday's Update folder.

Debbie Tarry
City Manager
City of Shoreline
Phone: 206-801-2211
E-Mail: dtarry@shorelinewa.gov

From: Rick Kirkwood
Sent: Wednesday, October 15, 2014 8:11 AM
To: Debbie Tarry
Cc: Patti Rader; Grant Raupp; Robert Hartwig; John Norris; Carolyn Wurdeman
Subject: RE: September 2014 Sales Tax, REET, Development Revenue Report

Good morning Debbie,

I'm not sure if you can access our G:\ drive through the link in the email below so I have attached a PDF of the September 2014 monthly report. Please let us know if you have any questions.

Thanks,

Rick Kirkwood
Senior Budget Analyst
City of Shoreline
Phone: (206) 801-2303
Fax: (206) 546-7870
Email: rkirkwood@shorelinewa.gov



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From: Robert Hartwig
Sent: Tuesday, October 14, 2014 6:05 PM
To: Debbie Tarry; John Norris; Carolyn Wurdeman
Cc: Patti Rader; Rick Kirkwood; Grant Raupp
Subject: FW: DRAFT September 2014 Sales Tax, REET, Development Revenue Report

Debbie:

Sales tax remains solid.

REET experienced a down month in September and in June. Other months have been strong. We are even with projections and ahead of last year. We will monitor in case Sept starts a trend.

Permit activity remains strong.

Bob

From: Rick Kirkwood
Sent: Tuesday, October 14, 2014 11:07 AM
To: Robert Hartwig; Patti Rader
Cc: Grant Raupp
Subject: DRAFT September 2014 Sales Tax, REET, Development Revenue Report

Bob and Patti,

Here is a link to the draft of the [September 2014 Sales Tax, REET, Development Revenue report](#) for your review. Please let us know if you have any questions.

Thanks,

Rick Kirkwood
Senior Budget Analyst
City of Shoreline
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City of Shoreline
September 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 September 2014, which reflects activity from July 2014, are higher than the revised projection by \$43,177, or 6.3%, and the year-ago level by \$27,730, or 4.0% (See Table 1). Year-to-date receipts are higher than the revised projection by \$213,667, or 4.5%, and the year-ago level by \$92,212, or 1.9%. Removing one-time construction activity from the calculation reveals receipts are higher than the revised projection by 2.1% (See Table 3) and the year-ago level by 8.5%.

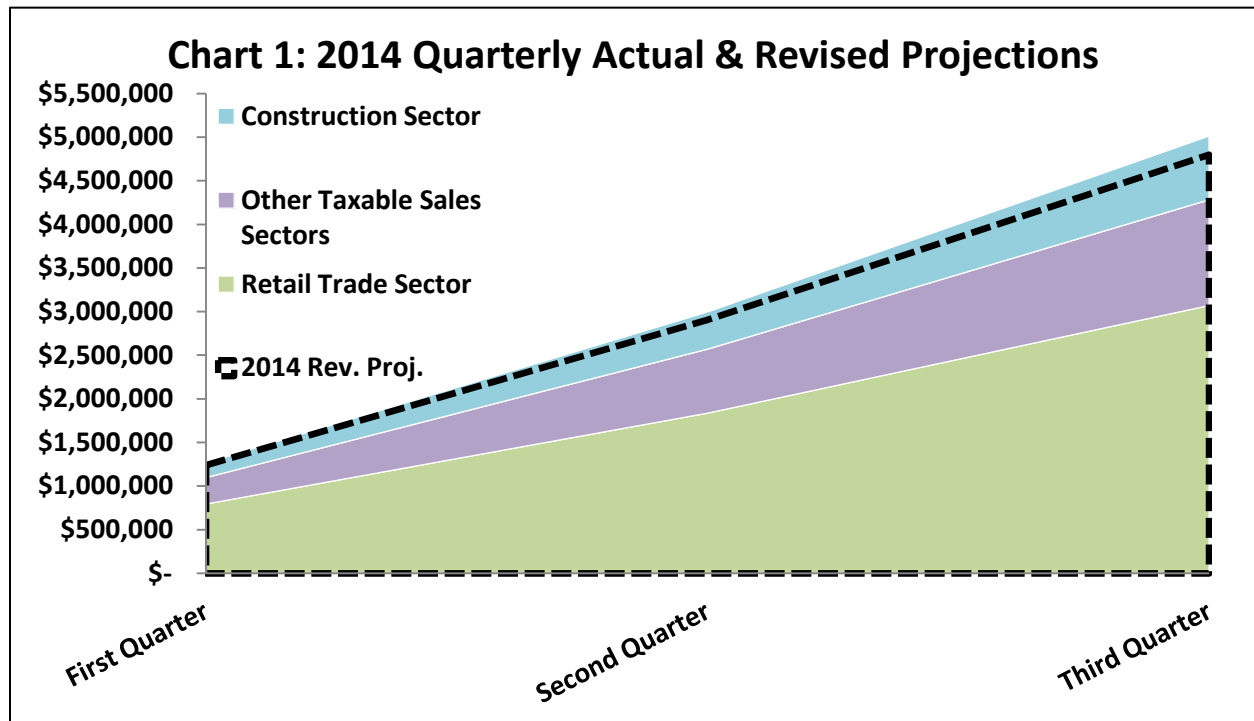
Table 2 below illustrates that receipts in three of the primary categories are higher compared to their year-ago level; however, receipts in the Construction category are lower since large one-time projects are generating less sales tax than they did in prior years as they come to a close. It is important 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).

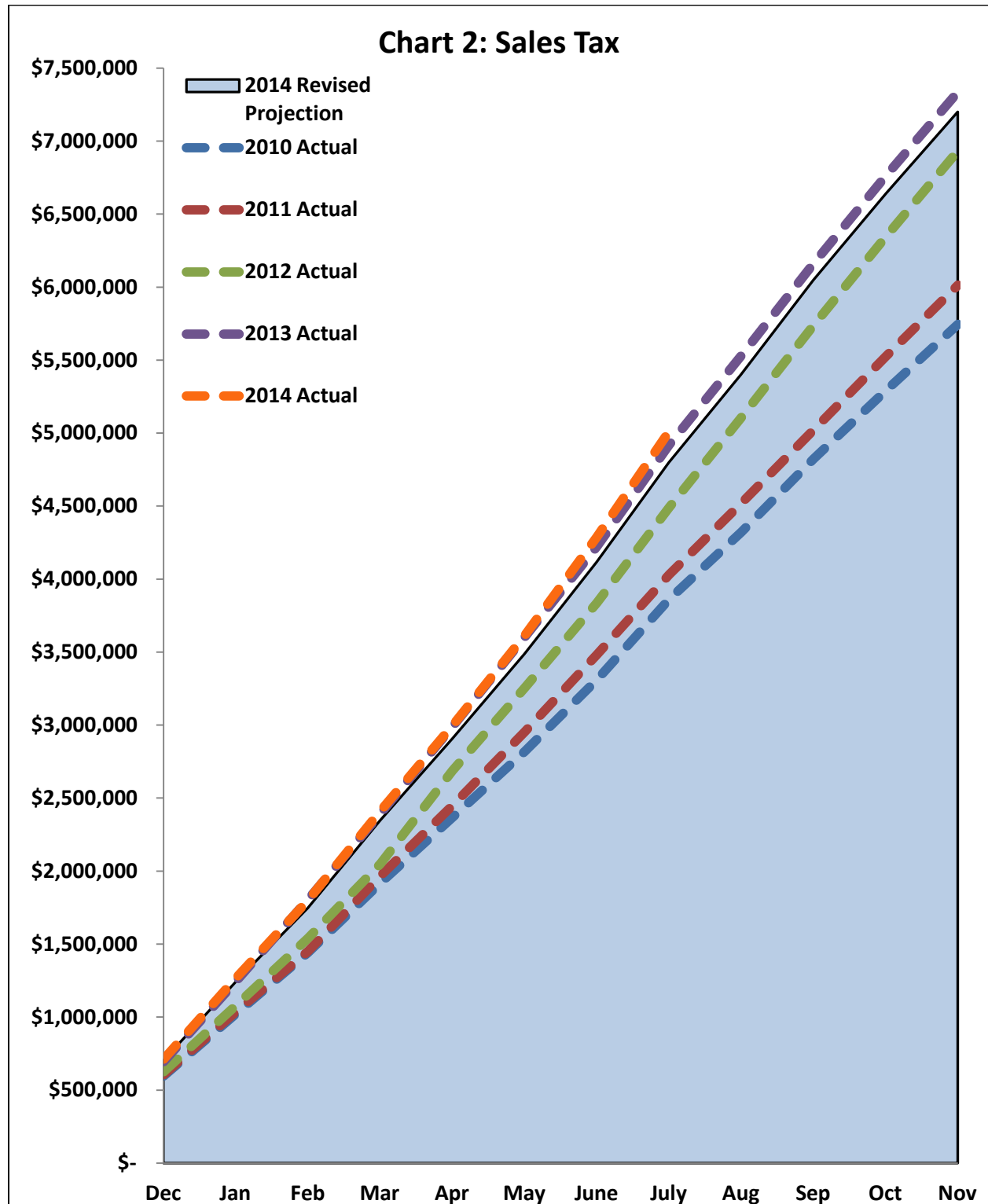
Table 1: All Sales Tax - Variance by Month							
Month of Activity	2014				2013		
	Revised Projection	Actual	Actual v. Rev. Proj. \$ Variance	Actual v. Rev. Proj. % Variance	Actual	2014 v. 2013 \$ Variance	2014 v. 2013 % Variance
December (Prior Yr)	\$703,000	\$712,174	\$9,175	1.3%	\$695,645	\$16,529	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%
Totals	\$4,799,077	\$5,012,744	\$213,667	4.5%	\$4,920,532	\$92,212	1.9%
Totals may not foot due to rounding.							

Table 2: All Sales Tax - Primary Categories December - July						
Primary Category	2009	2010	2011	2012	2013	2014
Construction	\$ 629,819	\$362,466	\$408,110	\$774,897	\$893,412	\$730,341
\$ Variance		(\$267,353)	\$45,644	\$366,787	\$118,515	(\$163,071)
% Variance		-42.4%	12.6%	89.9%	15.3%	-18.3%
Retail Trade	\$ 2,492,502	\$2,509,883	\$2,576,739	\$2,718,554	\$2,953,139	\$3,070,639
\$ Variance		\$17,381	\$66,856	\$141,815	\$234,585	\$117,500
% Variance		0.7%	2.7%	5.5%	8.6%	4.0%
Hotels / Restaurant	\$ 243,202	\$250,327	\$250,929	\$259,067	\$278,075	\$291,617
\$ Variance		\$7,125	\$602	\$8,138	\$19,008	\$13,542
% Variance		2.9%	0.2%	3.2%	7.3%	4.9%
All Others	\$ 699,622	\$739,870	\$795,396	\$739,135	\$795,906	\$920,148
\$ Variance		\$40,247	\$55,526	(\$56,261)	\$56,772	\$124,241
% Variance		5.8%	7.5%	-7.1%	7.7%	15.6%
Total Revenue	\$ 4,065,145	\$3,862,546	\$4,031,174	\$4,491,653	\$4,920,532	\$5,012,744
\$ Variance		(\$202,600)	\$168,628	\$460,479	\$428,879	\$92,212
% Variance		-5.0%	4.4%	11.4%	9.5%	1.9%

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	\$3,071,430	\$3,070,639	\$3,070,639	0.0%	0.0%
Construction Sector	575,862	730,341	618,654	26.8%	7.4%
Other Taxable Sales Sectors	\$1,151,785	1,211,764	\$1,211,764	5.2%	5.2%
Total Local Sales & Use Tax	\$4,799,077	\$5,012,744	\$4,901,057	4.5%	2.1%
Totals may not foot due to rounding.					

Table 4: 2014 Quarterly Actual & Revised Projections					
Category	2014 Revised Projection	1Q Actual	2Q Actual	3Q Actual	4Q Projected
Retail Trade Sector	\$4,531,600	\$795,090	\$1,836,766	\$3,070,639	\$4,531,600
Construction Sector	969,050	168,515	426,346	730,341	969,050
Other Taxable Sales Sectors	1,699,350	302,935	733,690	1,211,764	1,699,350
Total Local Sales & Use Tax Quarterly Projection	\$7,200,000	\$1,266,540	\$2,996,802	\$5,012,744	\$7,200,000
		\$1,240,561	\$2,906,359	\$4,799,077	\$7,200,000
Totals may not foot due to rounding.					





Retail Trade:

Receipts from activity for July 2014 total \$464,016 and are higher than the budget projection by 6.3%, and the year-ago level by 5.6%. Year-to-date receipts are equal to the revised projection and the year-ago level by 4.0% (See Table 5).

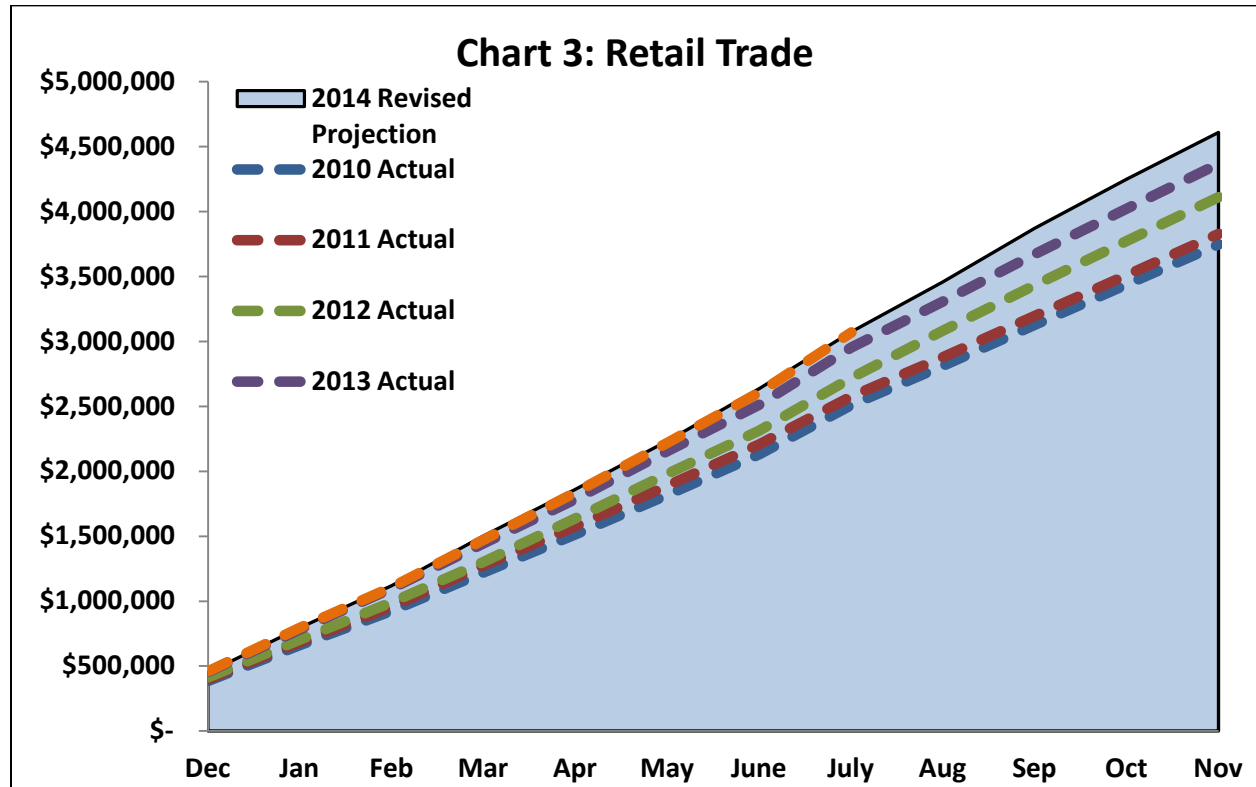
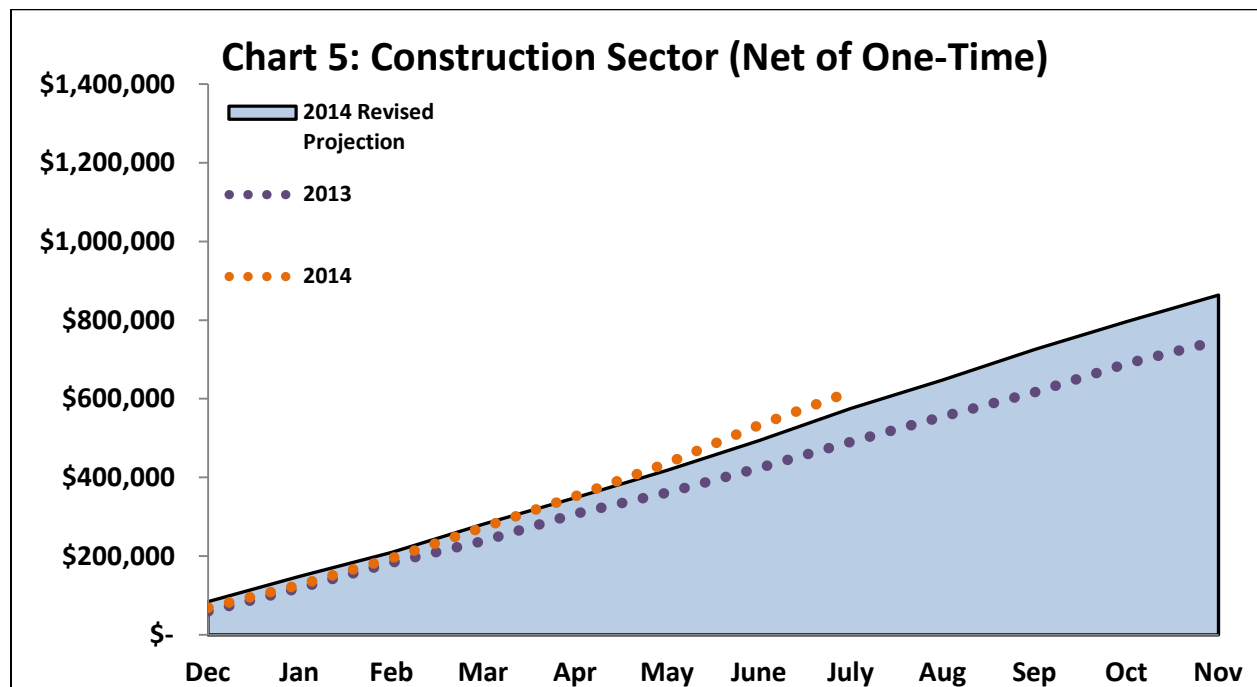
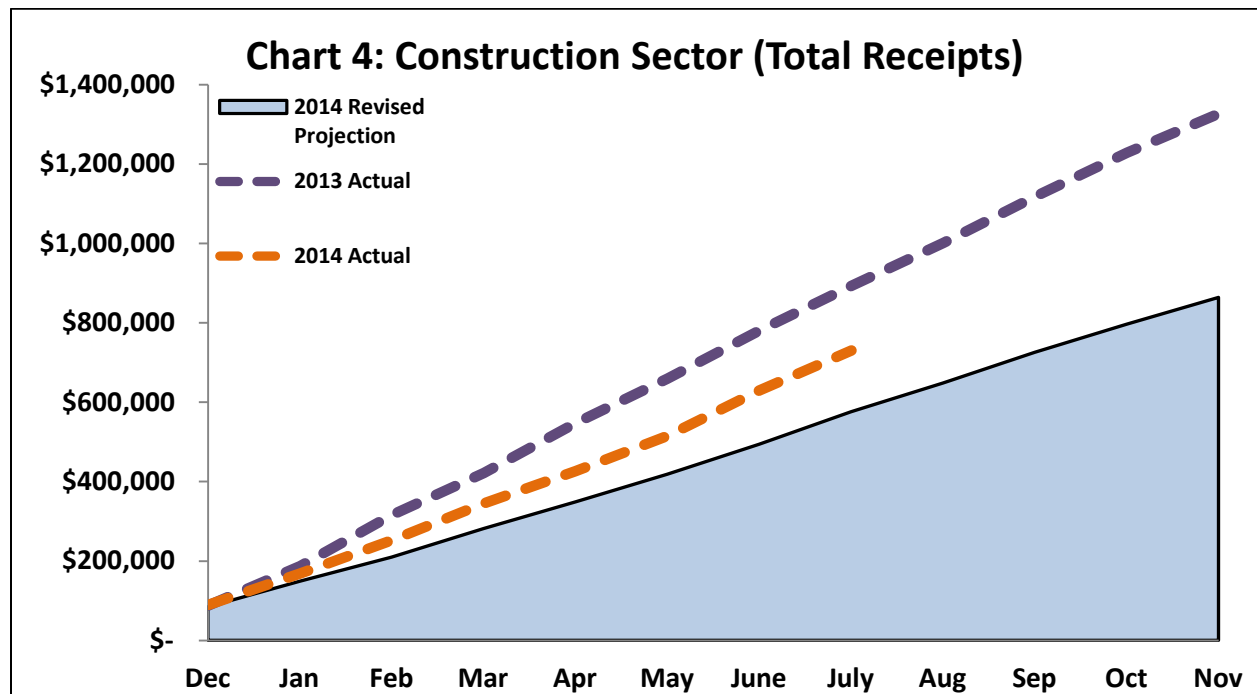


Table 5: Retail Trade Categories					
Category	2012	2013 v. 2012 % Variance	2013	2014	2014 v. 2013 % Variance
Motor Veh. & Parts Dealer	\$654,268	14.1%	\$746,634	\$822,454	10.2%
Furniture & Home Furnishings	33,283	18.1%	39,321	40,825	3.8%
Electronics & Appliances	65,340	-5.5%	61,754	75,820	22.8%
Building Material & Garden	393,535	14.5%	450,716	462,927	2.7%
Food & Beverage Stores	173,336	2.3%	177,363	169,482	-4.4%
Health & Personal Care Stores	99,870	8.4%	108,266	111,766	3.2%
Gasoline Stations	48,951	3.3%	50,587	50,560	-0.1%
Clothing & Accessories	29,311	6.3%	31,144	32,768	5.2%
Sporting Goods, Hobby, Books	50,898	-1.4%	50,167	54,260	8.2%
General Merchandise Stores	921,732	5.3%	970,204	966,945	-0.3%
Miscellaneous Store Retailers	168,526	1.0%	170,290	170,683	0.2%
Nonstore Retailers	79,504	21.6%	96,694	112,150	16.0%
Total Retail Trade	\$2,718,554	8.6%	\$2,953,139	\$3,070,639	4.0%

Construction:

Receipts from activity for July 2014 total \$100,873 and are lower than the year-ago level by 10.6%. Receipts from activity for the period of December 2013 through July 2014 are lower than the year-ago level by 18.3% (See Table 2 and Chart 4). Of the amount collected so far this year, \$111,687, or 15.3%, is attributable to one-time activity. Of the amount collected for the same period of 2013, \$298,154, or 45.0%, was attributable to one-time activity. Removing one-time activity from the calculation reveals receipts are higher than the revised projection by 7.4% and the year-ago level by 26.0% (See Chart 5).

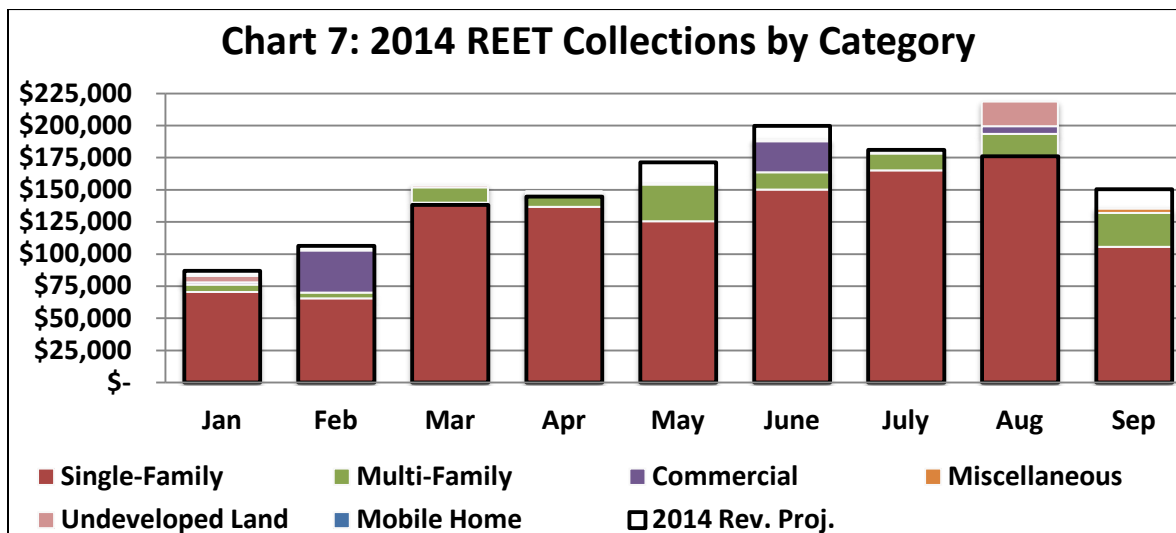
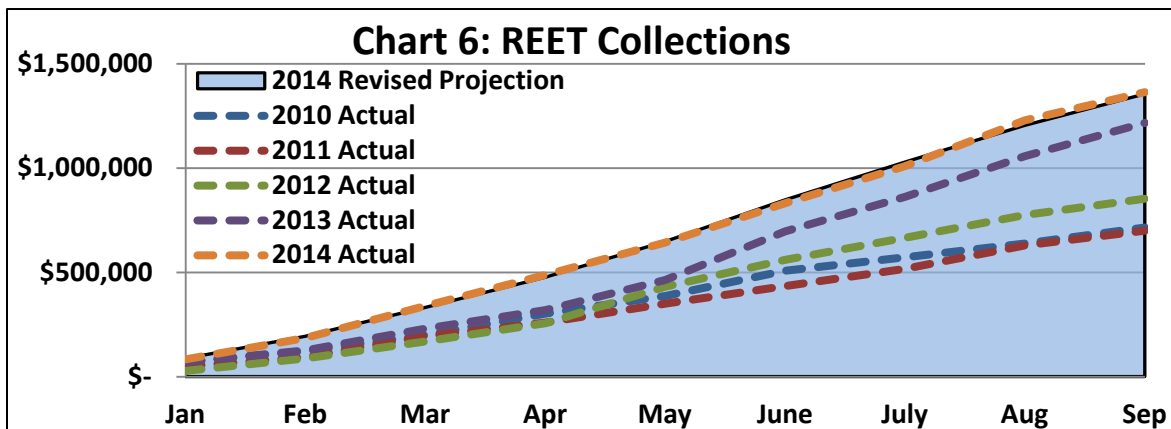


Actual vs. Revised Projection:

Total REET collections through September 2014 totaling \$1,364,151 are behind the revised projection by \$9,351, or 0.7%. Table 6 and Chart 6 below exhibit the REET collections for the period of January through September. Chart 7 below exhibits the actual collections by category compared to the overall revised projection for each month.

Table 6: REET Collections							
Month of Activity	2014			Actual v. Rev. Proj.	2013	2014 v. 2013	
	Revised Projection	Actual	Actual v. Rev. Proj.		Actual	Actual \$ Variance	Actual % Variance
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%
Totals	\$1,354,800	\$1,364,151	\$9,351	0.7%	\$1,216,627	\$147,523	12.1%

Totals may not foot due to rounding.



REET Transactions:

In September 2014, there were six fewer transactions with a value that was \$4.9 million less than those for September 2013. Year-to-date there has been forty-eight more transactions with a value that is \$29.5 million more than the year-ago level. Table 7 below exhibits the number of sales and value of all residential and commercial transactions that occurred during the period of January through September in 2013 and 2014.

Table 7: REET Sales (\$ in thousands)							
Month of Activity	2014		2013		2014 v. 2013		
	No. of Sales	Value	No. of Sales	Value	No. of Sales	Value \$ Variance	Value % Variance
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%
Totals	679	\$272,830	631	\$243,325	48	\$29,505	12.1%
Totals may not foot due to rounding.							

Table 8 below exhibits the number and value of sales by category that occurred during the period of January through September 2014.

Table 8: 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	659,950	0	0
Totals	564	\$227,097	92	\$26,282	1	\$150	8	\$13,088	1	\$659,950	13	\$5,553
Totals may not foot due to rounding.												

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

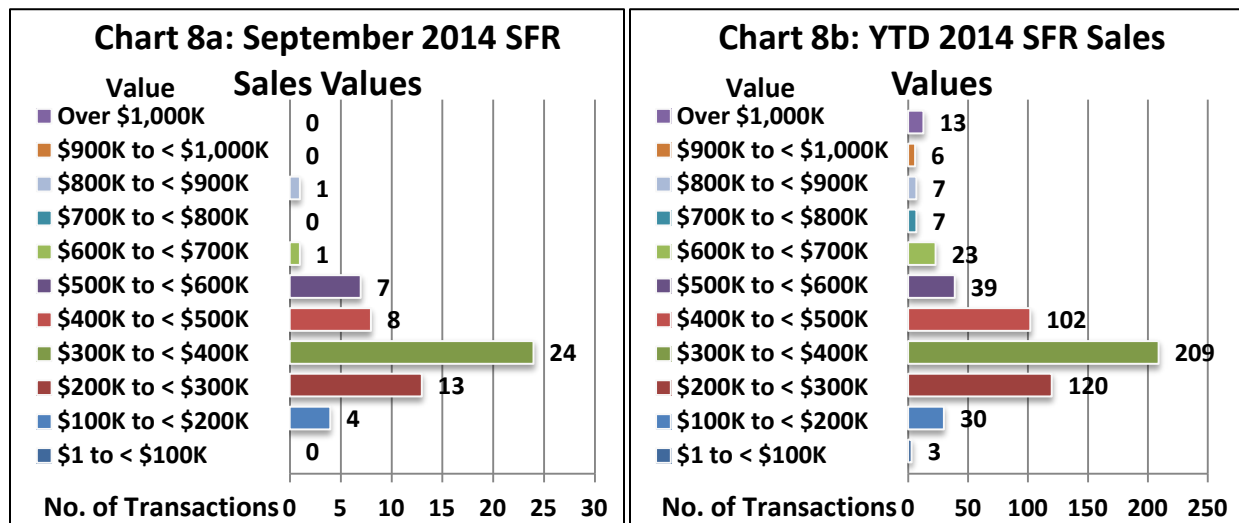
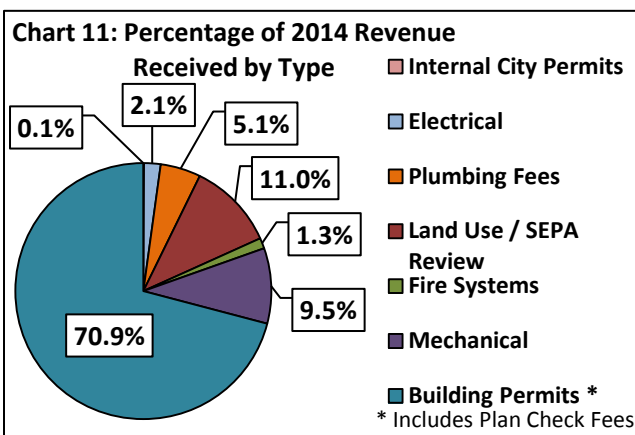
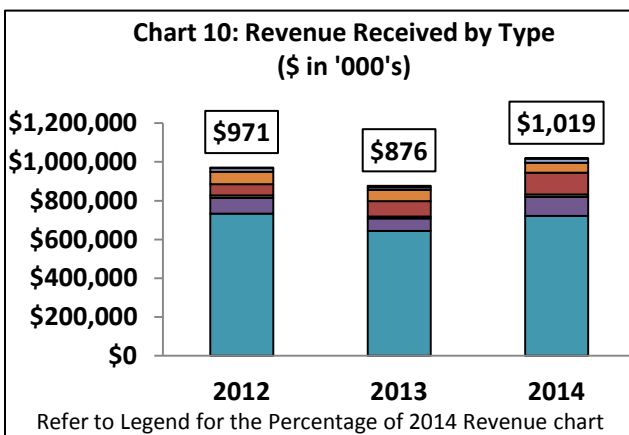
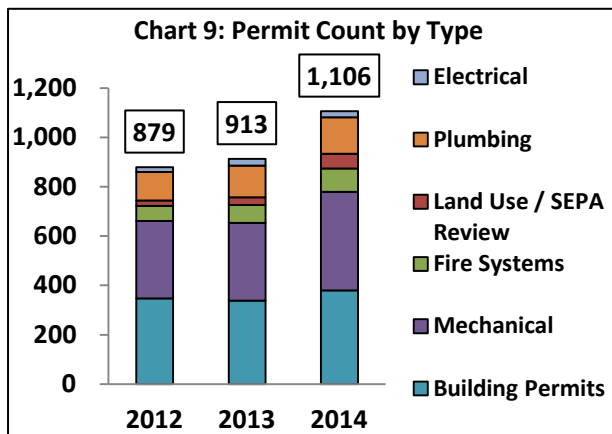


Table 9 below exhibits the number and value of all residential and commercial transactions greater than \$1.0 million. In September 2014, there were two commercial properties that sold for more than \$1.0 million. Through September 2014, there have been fourteen SFRs and eight businesses sold for more than \$1.0 million, which has accounted for \$37.0 million, or 13.6%, of the total sales amount.

Table 9: 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 \$ Variance	Value % Variance
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%
Totals	22	\$37,012	21	\$42,323	1	(\$5,311)	-12.5%
Totals may not foot due to rounding.							

Type	2012	2013	2014	# Var. 2014 v. 2013	% Var. 2014 v. 2013
Building Permits	347	338	380	42	12.4%
Mechanical	315	316	400	84	26.6%
Fire Systems	60	72	94	22	30.6%
Land Use / SEPA Review	23	31	60	29	93.5%
Plumbing	115	129	148	19	14.7%
Electrical	19	27	24	(3)	-11.1%
Totals	879	913	1,106	193	21.1%



Permit revenue in September 2014 totaled \$148,348. Total revenue to date is \$1,018,638, which is 56.4% ahead of the projection and 16.2% ahead of the year-ago level.

Issued building permits came in at \$6.1 million valuation for September, comprised 48% of residential and 52% of commercial/multi-family valuation. A permit for the Evergreen School Cedar Building was issued with \$2.8 million 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
Totals	38	\$ 11,580	135	\$ 6,683	7	\$ 11,250	29	\$ 4,488	0	\$ -	22	\$ 666