

Revenue Source	Period	Page
Sales Tax		
All Sales Tax Sectors	December 2014 – April 2015	2-3
<i>Table 1: Sales Tax – Variance by Month</i>		
<i>Chart 1: Sales Tax – Primary Sectors</i>		
<i>Table 2: Sales Tax – Primary Sectors (December (Prior Year) – April)</i>		
<i>Table 3: Comparison of 2015 YTD Actual Less One-Time to 2015 Budget Projection</i>		
<i>Chart 2: Sales Tax</i>		
Retail Trade Sector	December 2014 – April 2015	4-5
<i>Chart 3: Retail Trade</i>		
<i>Table 4: Retail Trade Categories (December (Prior Year) – April)</i>		
<i>Chart 4: New Car Dealers</i>		
Construction Sector	December 2014 – April 2015	5
<i>Chart 5: Construction Sector (Total Receipts)</i>		
<i>Chart 6: Construction Sector (Net of One-Time)</i>		
Real Estate Excise Tax		
REET Collections	January – June 2015	6
<i>Table 5: REET Collections</i>		
<i>Chart 7: REET Collections</i>		
<i>Chart 8: REET Collections by Category</i>		
REET Transactions	January – June 2015	7-8
<i>Table 6: REET Sales</i>		
<i>Table 7: 2015 REET Sales by Category</i>		
<i>Chart 9a: May 2015 SFR Sales</i>		
<i>Chart 9b: YTD 2015 SFR Sales</i>		
<i>Table 8: REET Sales > \$1 Million</i>		
Development		
Permit Count by Type	January – June 2015	9
<i>Table 9: Permit Count by Type</i>		
<i>Chart 10: Permit Count by Type</i>		
Revenue Received by Permit Type	January – June 2015	9
<i>Chart 11: Revenue Received by Type</i>		
<i>Chart 12: Percentage of 2015 Revenue Received by Type</i>		
Issued Building Permits and Valuation	January – June 2015	9-10
<i>Table 10: 2015 Issued Building Permits and Valuation</i>		
<i>Chart 13a: Number of Building Permits</i>		
<i>Chart 13b: Valuation of Building Permits</i>		

Key to trend indicators
 = Positive: Positive change or variance > +2%.
 = Neutral: Change or variance of -1% to +2%.
 = Warning: Negative change or variance of -1% to -4%.
 = Negative: Negative change or variance of > -4%.

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.

Table 1: Sales Tax - Variance by Month					
Month of Activity	2015			2014	
	Budget Projection	Actual	Actual v. Bud. Proj. % Var.	Actual	2015 v. 2014 % Change
December (Prior Yr)	\$713,638	\$792,683	↑ 11.1%	\$712,174	↑ 11.3%
January	\$546,336	\$565,161	↑ 3.4%	\$554,366	↗ 1.9%
February	\$515,769	\$547,403	↑ 6.1%	\$533,674	↑ 2.6%
March	\$608,209	\$630,073	↑ 3.6%	\$609,471	↑ 3.4%
April	\$569,822	\$605,418	↑ 6.2%	\$587,117	↑ 3.1%
Totals	\$2,953,773	\$3,140,737	↑ 6.3%	\$2,996,802	↑ 4.8%
Totals may not foot due to rounding.					

Total sales tax receipts through the month of June 2015, which reflects activity from December 2014 through April 2015, are higher than the budget projection by 6.3% and the year-ago level by 4.8% (See Table 1). Removing one-time construction activity from the calculation reveals total receipts are 5.7% higher than the budget projection (See Table 3) and 6.9% higher than the year-ago level.

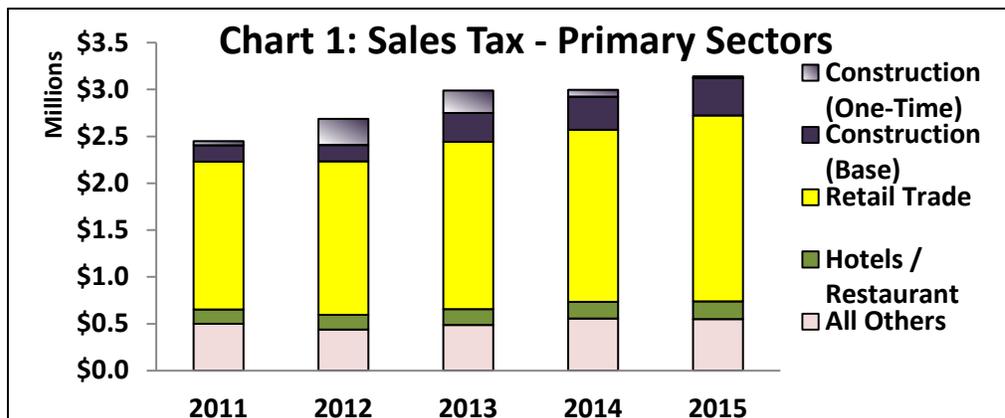
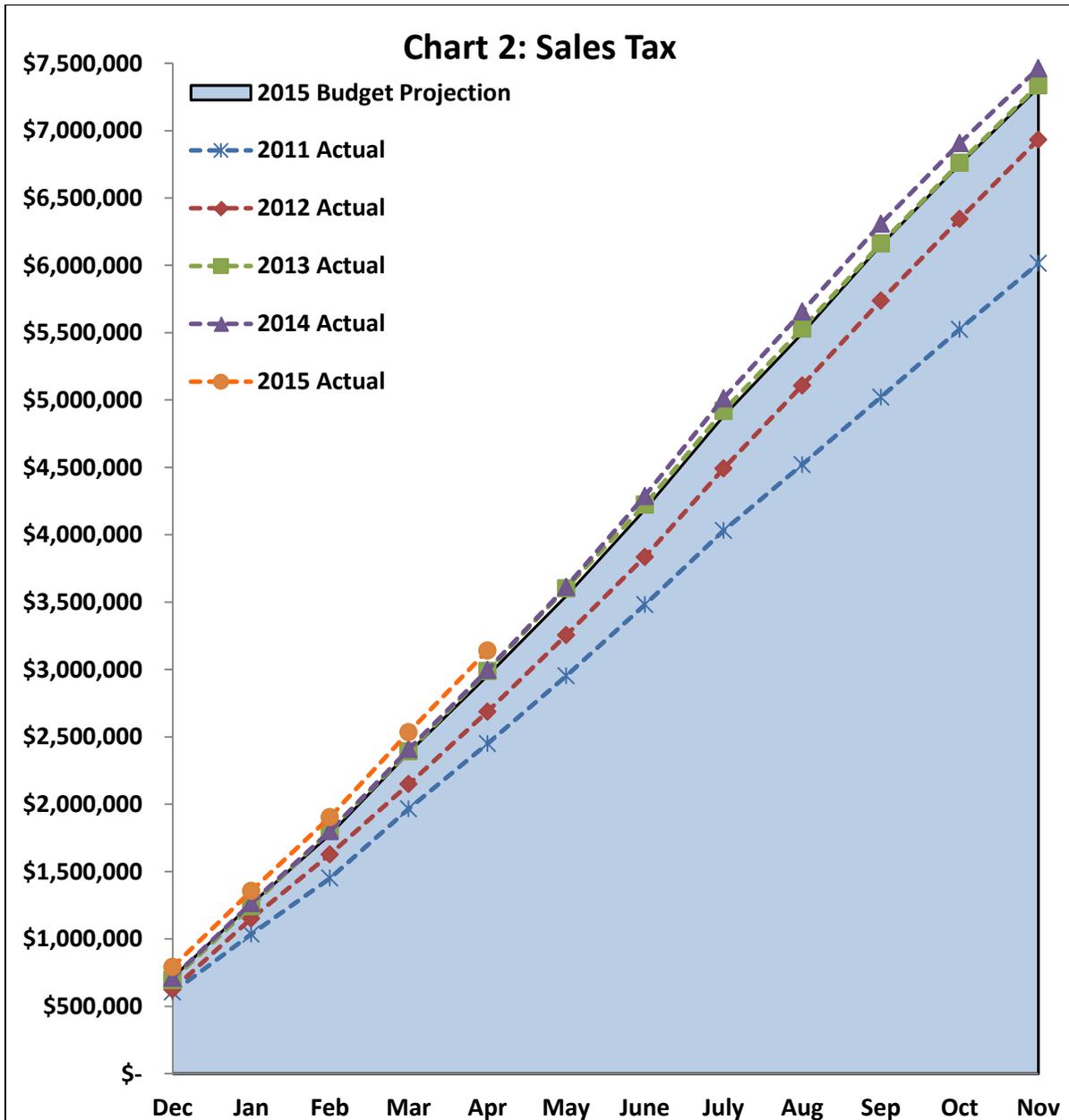


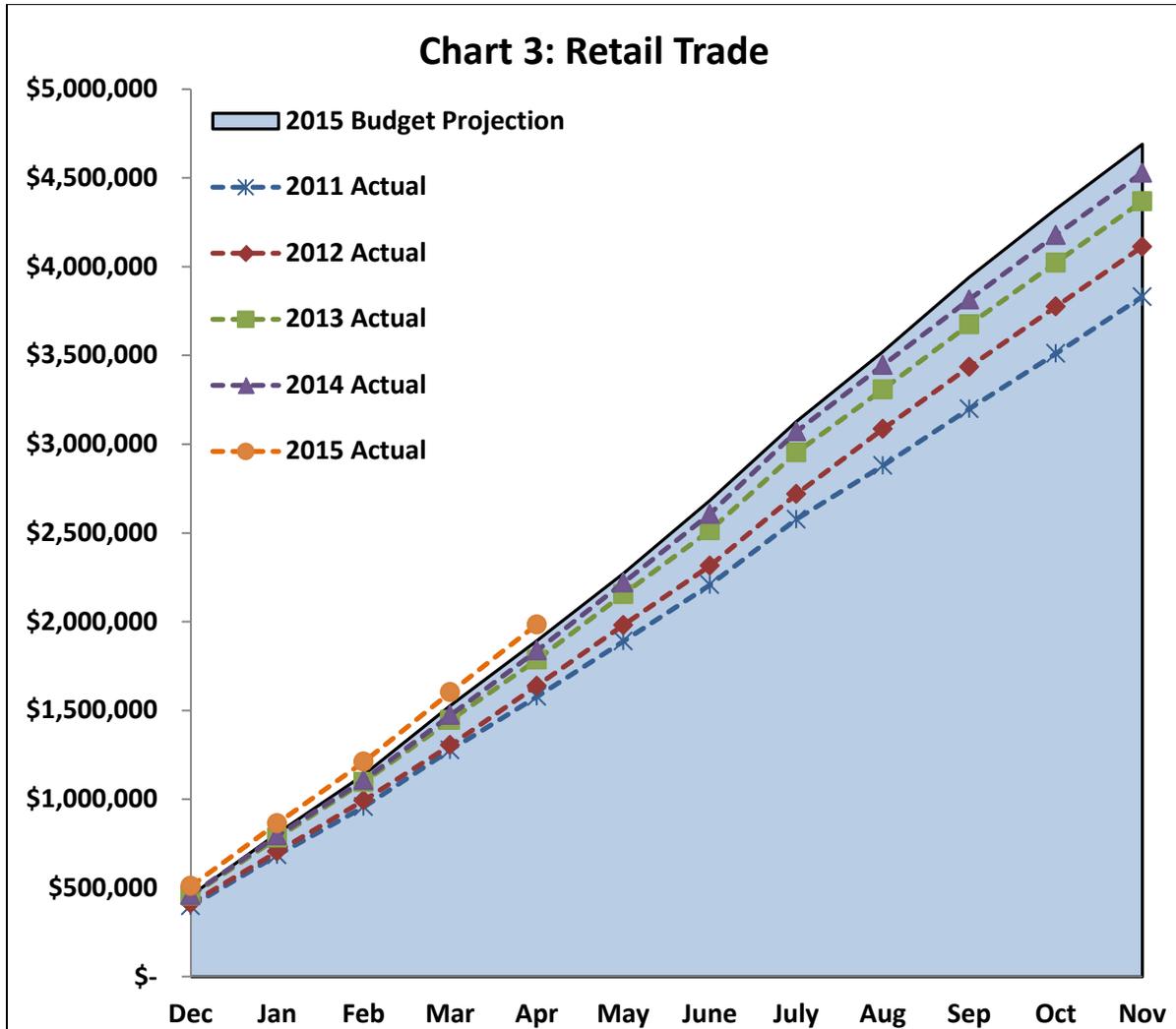
Table 2: Sales Tax - Primary Sectors December (Prior Year) - April					
Primary Sector	2011	2012	2013	2014	2015
Construction	\$219,122	\$453,298	\$547,618	\$426,346	\$417,634
\$ Change	(\$9,770)	\$234,176	\$94,320	(\$121,271)	(\$8,712)
% Change	↓ -4.3%	↑ 106.9%	↑ 20.8%	↓ -22.1%	↘ -2.0%
Retail Trade	\$1,577,560	\$1,638,357	\$1,785,747	\$1,836,766	\$1,984,114
\$ Change	\$62,413	\$60,797	\$147,390	\$51,019	\$147,348
% Change	↑ 4.1%	↑ 3.9%	↑ 9.0%	↑ 2.9%	↑ 8.0%
Hotels / Restaurant	\$152,741	\$157,154	\$169,076	\$177,728	\$189,333
\$ Change	\$147	\$4,413	\$11,922	\$8,652	\$11,604
% Change	↗ 0.1%	↑ 2.9%	↑ 7.6%	↑ 5.1%	↑ 6.5%
All Others	\$499,656	\$438,090	\$486,974	\$555,962	\$499,656
\$ Change	\$29,083	(\$61,566)	\$48,884	\$68,988	(\$6,305)
% Change	↑ 6.2%	↓ -12.3%	↑ 11.2%	↑ 14.2%	↘ -1.1%
Total Revenue	\$2,449,079	\$2,686,899	\$2,989,414	\$2,996,802	\$3,140,737
\$ Change	\$81,873	\$237,820	\$302,515	\$7,388	\$143,934
% Change	↑ 3.5%	↑ 9.7%	↑ 11.3%	↗ 0.2%	↑ 4.8%

Table 3: Comparison of 2015 YTD Actual Less One-Time to 2015 Budget Projection December 2014 - April 2015				
Primary Sector	2015 YTD Budget Projection	2015 YTD Actual	2015 YTD Actual Less One-Time	2015 YTD Actual Less One-Time v. 2015 YTD Bud. Proj.
Retail Trade Sector	\$1,892,465	\$1,984,114	\$1,984,114	↑ 4.8%
Construction Sector	\$354,837	\$417,634	\$400,348	↑ 12.8%
Other Taxable Sales Sectors	\$706,471	\$738,989	\$738,989	↑ 4.6%
Total Local Sales & Use Tax	\$2,953,773	\$3,140,737	\$3,123,451	↑ 5.7%
Totals may not foot due to rounding.				



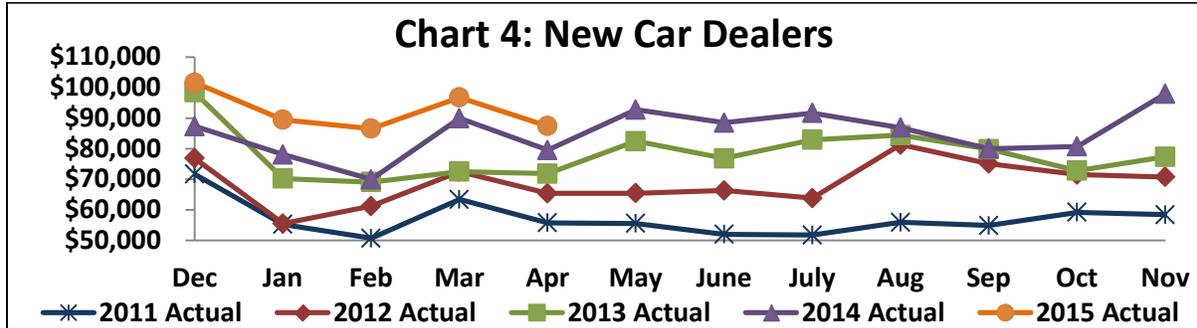
Retail Trade Sector:

Receipts from activity for December 2014 through April 2015 are higher than the budget projection by 4.8% (See Table 3) and the year-ago level by 8.0% (See Tables 2 and 4).



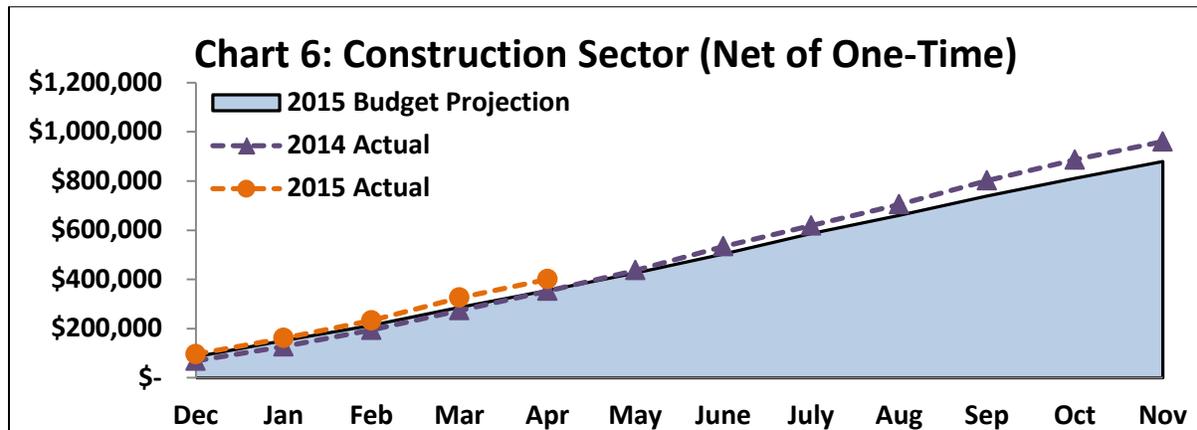
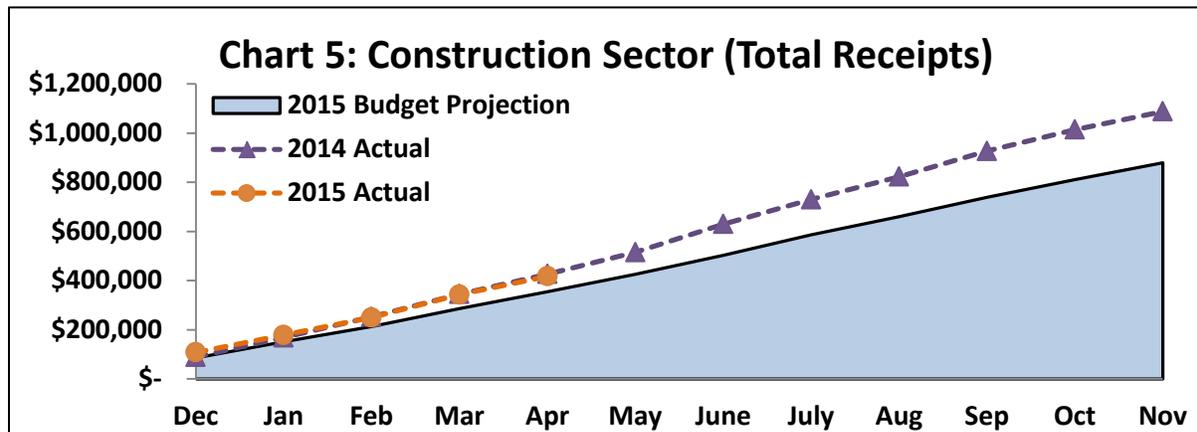
Category	2013	2014 v. 2013 % Change	2014	2015 v. 2014 % Change	2015
Motor Veh. & Parts Dealer	\$459,052	↑ 8.9%	\$500,090	↑ 8.8%	\$544,247
Furniture & Home Furnishings	\$22,525	↑ 18.6%	\$26,705	↓ -17.0%	\$22,164
Electronics & Appliances	\$37,660	↓ -1.1%	\$37,247	↑ 19.0%	\$44,337
Building Material & Garden	\$249,927	↓ -0.8%	\$247,899	↑ 28.7%	\$318,992
Food & Beverage Stores	\$105,461	↓ -0.6%	\$104,808	↑ 5.2%	\$110,241
Health & Personal Care Stores	\$67,751	↑ 3.7%	\$70,264	↑ 19.0%	\$83,629
Gasoline Stations	\$29,686	↓ -0.7%	\$29,486	↑ 4.2%	\$30,729
Clothing & Accessories	\$20,486	↑ 1.6%	\$20,810	↑ 19.2%	\$24,800
Sporting Goods, Hobby, Books	\$33,821	↑ 6.9%	\$36,146	↑ 3.5%	\$37,418
General Merchandise Stores	\$583,267	↓ -1.4%	\$574,845	↑ 2.2%	\$587,343
Miscellaneous Store Retailers	\$110,388	↑ 1.6%	\$112,102	↓ -12.0%	\$98,635
Nonstore Retailers	\$65,723	↑ 16.2%	\$76,362	↑ 6.8%	\$81,582
Total Retail Trade	\$1,785,747	↑ 2.9%	\$1,836,766	↑ 8.0%	\$1,984,114

There continues to be significant growth in receipts from new car dealers (in the Motor Vehicle and Parts Dealer category) since 2011. Receipts for the month of April were higher than those for the same period of 2014, 2013, 2012 and 2011 by 9.9%, 21.7%, 33.7%, and 56.7%, respectively (See Chart 4).



Construction Sector:

Receipts from activity for December 2014 through April 2015 of \$417,634 are 2.0% lower than the year-ago level of \$426,346 (See Table 2 and Chart 5). Of the amount collected so far this year, \$17,286, or 4.1%, is attributable to one-time activity. Of the amount collected for the same period of 2014, \$73,968, or 17.3%, was attributable to one-time activity. Removing one-time activity from the calculation reveals receipts are 12.8% higher than the budget projection (See Table 3) and higher than the year-ago level by 13.6% (See Chart 6). Large one-time projects generated less sales tax this year than they did in prior years. These year-over-year changes reflect an increased level of ongoing construction activity within the City.

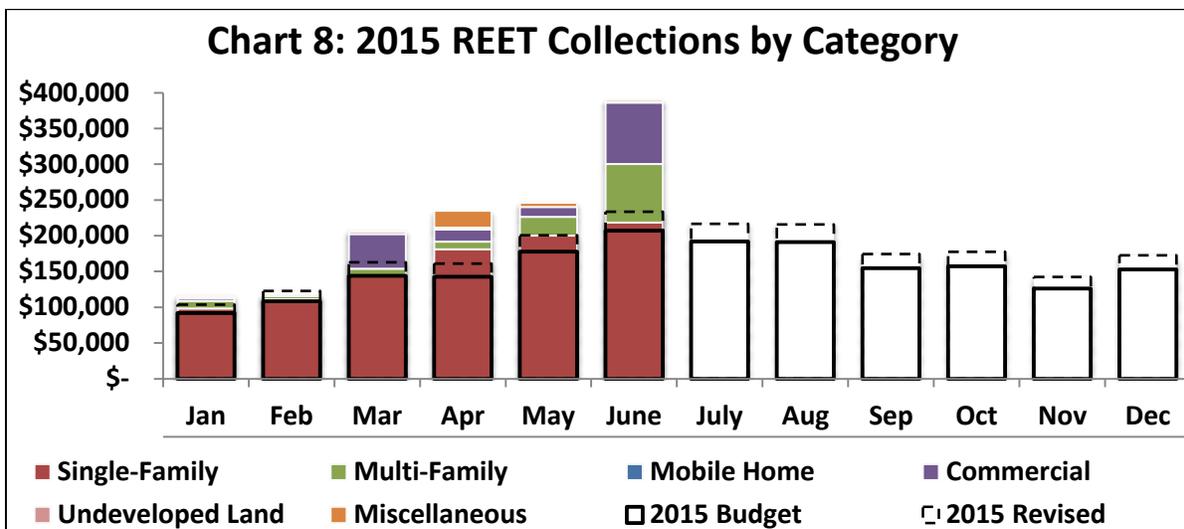
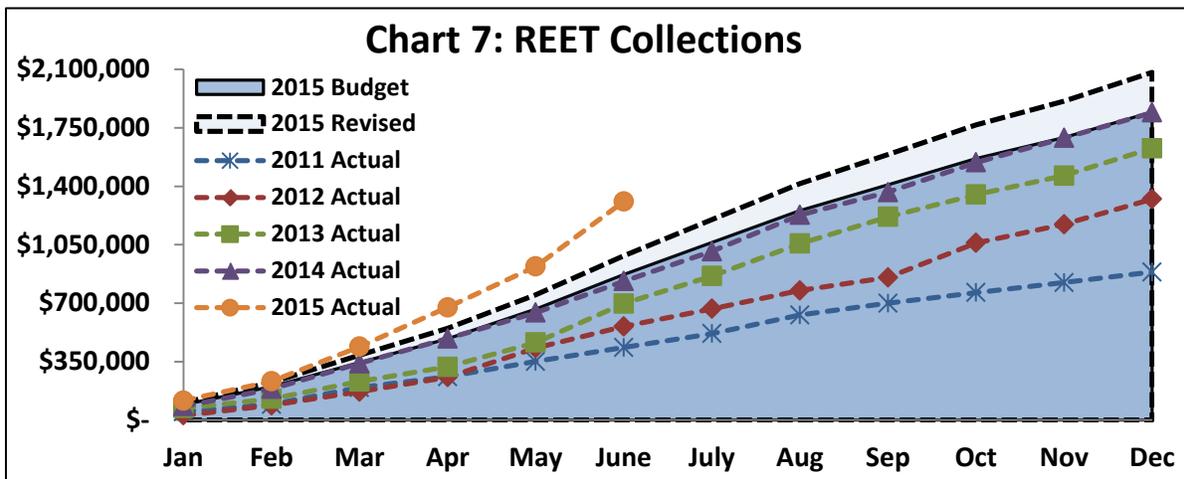


REET Collections:

Total REET collections through June 2015 totaling \$1,309,511 are ahead of the budget projection by 50.3%, the revised projection by 33.1%, and the year-ago level by 57.4%. Table 5 and Chart 7 below exhibit the REET collections. Chart 8 below exhibits the actual collections by category compared to the overall budget and revised projections for each month. The collections from Commercial transactions shown in Chart 8 and Tables 7 and 8 were mostly from the sale of the Safeway on Aurora Ave. just south of N 155th St. in March for \$9.3 million and again in June for \$10.7 million.

Table 5: REET Collections								
Month of Activity	2015					2014	2015 v. 2014	
	Budget Projection	Revised Projection	Actual	Actual v. Bud. Proj.	Actual v. Rev. Proj.	Actual	Actual \$ Change	Actual % Change
January	\$91,716	\$103,520	\$116,569	↑ 27.1%	↑ 12.6%	\$82,900	\$33,669	↑ 40.6%
February	\$108,441	\$122,398	\$115,392	↑ 6.4%	↓ -5.7%	\$102,625	\$12,766	↑ 12.4%
March	\$144,136	\$162,687	\$207,359	↑ 43.9%	↑ 27.5%	\$153,759	\$53,600	↑ 34.9%
April	\$142,556	\$160,904	\$234,906	↑ 64.8%	↑ 46.0%	\$149,062	\$85,844	↑ 57.6%
May	\$177,690	\$200,560	\$245,735	↑ 38.3%	↑ 22.5%	\$154,550	\$91,184	↑ 59.0%
June	\$206,936	\$233,570	\$389,551	↑ 88.2%	↑ 66.8%	\$189,068	\$200,483	↑ 106.0%
Totals	\$871,474	\$983,640	\$1,309,511	↑ 50.3%	↑ 33.1%	\$831,965	\$477,547	↑ 57.4%

Totals may not foot due to rounding.



REET Transactions:

The number and value of the transactions in June 2015 were higher than the year-ago level. Year-to-date there has been 125 more transactions with a value that is \$95.5 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 June in 2014 and 2015. It continues to be interesting to note how much higher transaction values are even though there were only nineteen transactions greater than \$1.0 million in 2015, as compared to thirteen in the same period of 2014 (See Table 11).

Month of Activity	2015		2014		2015 v. 2014		
	No. of Sales	Value	No. of Sales	Value	No. of Sales	Value \$ Change	Value % Change
January	56	\$23,314	46	\$16,580	10	\$6,734	↑ 40.6%
February	63	\$23,078	41	\$20,525	22	\$2,553	↑ 12.4%
March	87	\$41,472	74	\$30,752	13	\$10,720	↑ 34.9%
April	104	\$46,981	84	\$29,812	20	\$17,169	↑ 57.6%
May	99	\$49,147	77	\$30,910	22	\$18,237	↑ 59.0%
June	126	\$77,910	88	\$37,814	38	\$40,097	↑ 106.0%
Totals	535	\$261,902	410	\$166,393	125	\$95,509	↑ 57.4%

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 June 2015.

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	44	\$19,604	9	\$2,138	0	\$0	1	\$768	1	\$505	1	\$300
February	59	\$22,189	3	\$888	0	\$0	0	\$0	0	\$1	1	\$0
March	73	\$28,831	9	\$1,962	0	\$0	2	\$9,677	1	\$305	2	\$697
April	84	\$36,212	11	\$2,104	0	\$0	1	\$3,400	7	\$4,767	1	\$499
May	77	\$39,995	19	\$5,274	0	\$0	1	\$2,750	2	\$1,128	0	\$0
June	96	\$43,694	26	\$16,293	0	\$0	2	\$17,200	1	\$659	1	\$65
Totals	433	\$190,525	77	\$28,658	0	\$0	7	\$33,794	12	\$7,365	6	\$1,560

Totals may not foot due to rounding.

Charts 9a and 9b are histograms exhibiting the number of single-family residences that sold in 2015 in each of the various price ranges. The majority (72.5%) of the homes sold through June were priced from \$200,000 to \$499,999 with 29.8% priced from \$300,000 to \$399,999 and 28.4% priced from \$400,000 to \$499,999. The average transaction value year-to-date, excluding sales with a transaction value greater than \$1 million, was 6.7% higher in 2015 than 2014 at \$420,342 and \$393,923, respectively.

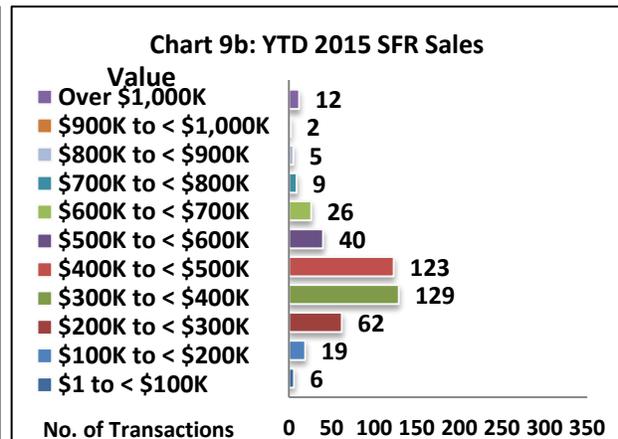
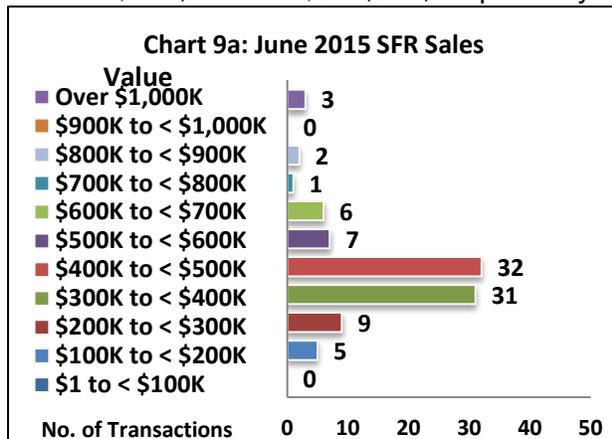


Table 8 below exhibits the number and value of all residential and commercial transactions greater than \$1.0 million. In June 2015 there were seven transactions greater than \$1.0 million, three of which were homes and four were commercial properties (including another sale of the Safeway on Aurora Ave. just south of N 155th St. for \$10.7 million). Year-to-date through June 2015, there have been twelve SFRs sold for more than \$1.0 million, which accounts for \$18.6 million, or 28.8%, of the total and seven commercial properties, which accounts for \$45.9 million, or 71.2% of the total.

Table 8: REET Sales > \$1 Million (\$ in thousands)							
Month of Activity	2015		2014		2015 v. 2014		
	No. of Sales	Value	No. of Sales	Value	No. of Sales	Value \$ Change	Value % Change
January	1	\$1,755	1	\$1,500	0	\$255	↑ 17.0%
February	0	\$0	3	\$5,966	(3)	(\$5,966)	N/A
March	2	\$10,322	5	\$6,000	(3)	\$4,322	↑ 72.0%
April	5	\$8,875	0	\$0	5	\$8,875	N/A
May	4	\$11,515	1	\$2,096	3	\$9,419	↑ 449.3%
June	7	\$32,053	3	\$8,540	4	\$23,513	↑ 275.3%
Totals	19	\$64,521	13	\$24,102	6	\$40,418	↑ 167.7%
Totals may not foot due to rounding.							

Second Quarter Highlights:

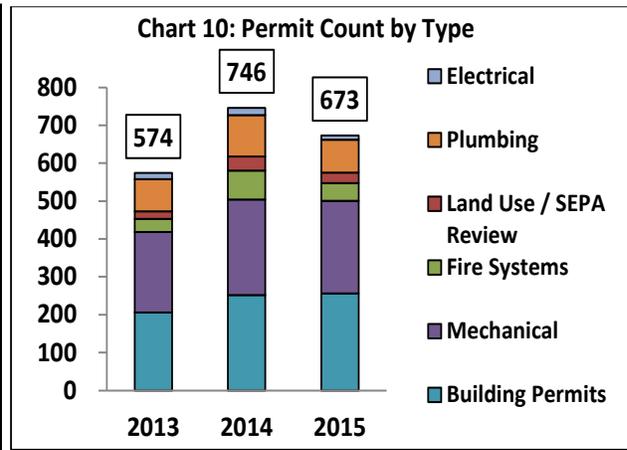
- The first half of 2015 saw a higher number of transactions, sales amount, and taxes collected compared to the same period in 2014.
- There were 535 transactions through the second quarter, which is 125, or 30.5%, more than the same period in 2014 and 162, or 43.4%, more than the same period in 2013.
- Through the second quarter, the sales amount was \$261.9 million, which is \$95.5 million, or 57.4%, more than 2014 and \$122.5 million, or 87.8%, more than 2013.
- Tax collected through the second quarter totals \$1,309,511, which is \$438,037, or 50.3%, more than the budget projection, \$325,871, or 33.1%, more than the revised projection, and \$477,547, or 57.4%, more than 2014.

The number of permits issued in 2015 is 9.8% lower than the year-ago level, but the number of building permits issued and plan checks has increased 1.6% (See Table 9 and Chart 10).

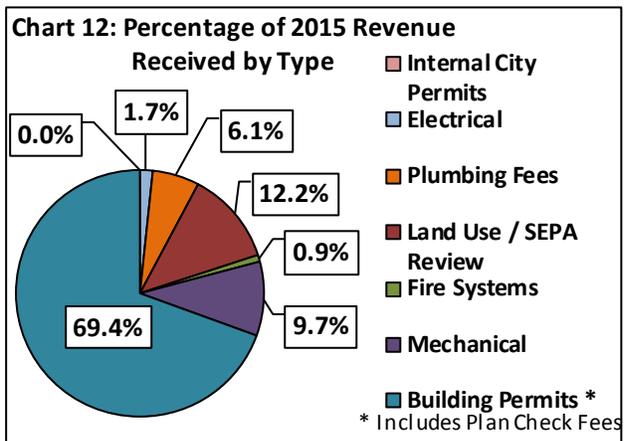
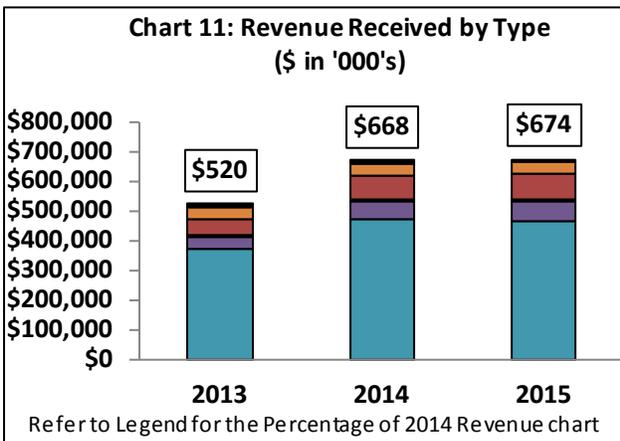
Table 9: Permit Count by Type

Type	2013	2014	2015	2015 v. 2014 # Chg.	2015 v. 2014 % Chg.
Building *	206	252	256	4	1.6%
Mechanical	212	252	245	(7)	-2.8%
Fire Systems	35	76	46	(30)	-39.5%
Land Use / SEPA Review	20	38	28	(10)	-26.3%
Plumbing	85	109	87	(22)	-20.2%
Electrical	16	19	11	(8)	-42.1%
Totals	574	746	673	(73)	-9.8%

* Includes Plan Check



Permit revenue in June 2015 totaled \$193,519. Total revenue to date is \$674,225, which is 33.4% ahead of the year-to-date projection and 0.9% ahead of the year-ago level.

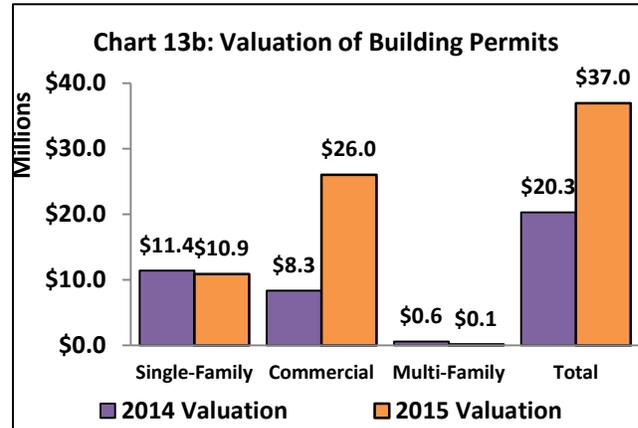
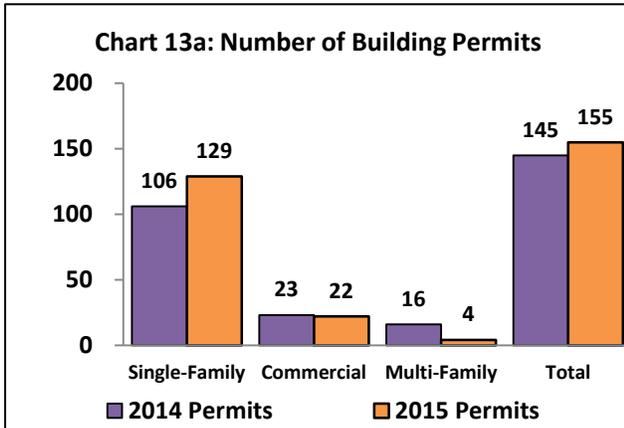


Valuation of 34 building permits for new construction and remodels issued in June totals \$25.4 million and is comprised 10.0% of residential and 90.0% of commercial / multi-family valuation. Valuation of 155 building permits for new construction and remodels issued year-to-date totals \$37.0 million (See Chart 13b) and is comprised 29.4% of residential and 70.6% of commercial / multi-family valuation.

Table 10: 2015 Issued Building Permits and Valuation (\$ in thousands)

Month	Residential				Commercial				Multi-Family			
	New		Add/Remodel		New		Add/Remodel		New		Add/Remodel	
	#	Valuation	#	Valuation	#	Valuation	#	Valuation	#	Valuation	#	Valuation
January	0	\$0	14	\$863	0	\$0	2	\$15	0	\$0	4	\$106
February	2	\$423	18	\$1,578	0	\$0	3	\$28	0	\$0	0	\$0
March	4	\$1,045	12	\$600	0	\$0	2	\$1,288	0	\$0	0	\$0
April	1	\$427	15	\$382	0	\$0	1	\$3	0	\$0	0	\$0
May	6	\$2,283	25	\$710	0	\$0	12	\$1,824	0	\$0	0	\$0
June	4	\$1,402	28	\$1,150	1	\$21,729	1	\$1,120	0	\$0	0	\$0
Totals	17	\$5,581	112	\$5,283	1	\$21,729	21	\$4,277	0	\$0	4	\$106

Local development activity in 2015, in terms of the number of building permits pulled for new construction and remodels in 2015, is higher than the year-ago level (See Chart 14a) but the valuation is lower (See Chart 14b). Significant projects worth mentioning in 2014 and 2015 are listed below.



2014 Large Projects:

- **March:**
 - North City Water District: 3,200 sf pump station (\$4.0M)
- **April:**
 - Washington State Public Health Lab: Remodel (\$1.8 M)

2015 Large Projects:

- **March:**
 - Costco: Gas station expansion (\$1.2M)
- **June:**
 - Swedish Medical Group: Tenant improvement (\$1.1M)
 - Centerpointe Apartments: 163 units, mixed-use (\$21.7M)