

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

<b>Key to trend indicators</b>	
	<b>Positive:</b> Positive change or variance > +2%.
	<b>Neutral:</b> Change or variance of -1% to +2%.
	<b>Warning:</b> Negative change or variance of -1% to -4%.
	<b>Negative:</b> 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	\$736,315	↑ 3.2%	\$712,174	↑ 3.4%
January	546,336	535,619	↓ -2.0%	554,366	↓ -3.4%
February	515,769	520,543	↑ 0.9%	533,674	↓ -2.5%
Totals	\$1,775,742	\$1,792,477	↑ 0.9%	\$1,800,215	↑ -0.4%
Totals may not foot due to rounding.					

The amount reported in the Building Material & Gardening category in the Retail Trade Sector is approximately \$100,000 lower due to the miscoding of some tax returns. This has caused the Retail Trade Sector to appear to be 3.5% below the budget projection (See Table 3) and 0.9% lower than the year-ago level (See Tables 2 and 4). Staff is currently working with the Washington State Department of Revenue to correct this issue.

Total sales tax receipts through the month of April 2015, which reflects activity from December 2014 through February 2015, are higher than the budget projection by 0.9% but slightly lower than the year-ago level by 0.4% (See Table 1). Removing one-time construction activity from the calculation reveals receipts are nearly equal to the budget projection (See Table 3), and slightly lower than the year-ago level by 1.4%.

Table 2 and Chart 1 below illustrate that receipts in three of the primary categories are running slightly behind (<1.0%) their year-ago level.

Table 2: Sales Tax - Primary Sectors December (Prior Year) - February					
Primary Sector	2011	2012	2013	2014	2015
<b>Construction</b>	\$132,359	\$194,675	\$315,814	\$252,347	<b>\$250,135</b>
\$ Change	(\$4,979)	\$62,316	\$121,139	(\$63,467)	<b>(\$2,212)</b>
% Change	↓ -3.6%	↑ 47.1%	↑ 62.2%	↓ -20.1%	↑ -0.9%
<b>Retail Trade</b>	957,195	993,256	1,097,457	1,108,079	<b>1,098,395</b>
\$ Change	\$32,165	\$36,061	\$104,201	\$10,622	<b>(\$9,684)</b>
% Change	↑ 3.5%	↑ 3.8%	↑ 10.5%	↑ 1.0%	↑ -0.9%
<b>Hotels / Restaurant</b>	88,962	92,039	99,372	103,406	<b>110,057</b>
\$ Change	(\$1,191)	\$3,077	\$7,333	\$4,034	<b>\$6,650</b>
% Change	↓ -1.3%	↑ 3.5%	↑ 8.0%	↑ 4.1%	↑ 6.4%
<b>All Others</b>	273,036	260,365	292,714	336,382	<b>333,891</b>
\$ Change	(\$16,922)	(\$12,671)	\$32,349	\$43,668	<b>(\$2,491)</b>
% Change	↓ -5.8%	↓ -4.6%	↑ 12.4%	↑ 14.9%	↑ -0.7%
<b>Total Revenue</b>	\$1,451,552	\$1,540,335	\$1,805,358	\$1,800,215	<b>\$1,792,477</b>
\$ Change	\$9,073	\$88,783	\$265,023	(\$5,143)	<b>(\$7,738)</b>
% Change	↑ 0.6%	↑ 6.1%	↑ 17.2%	↑ -0.3%	↑ -0.4%

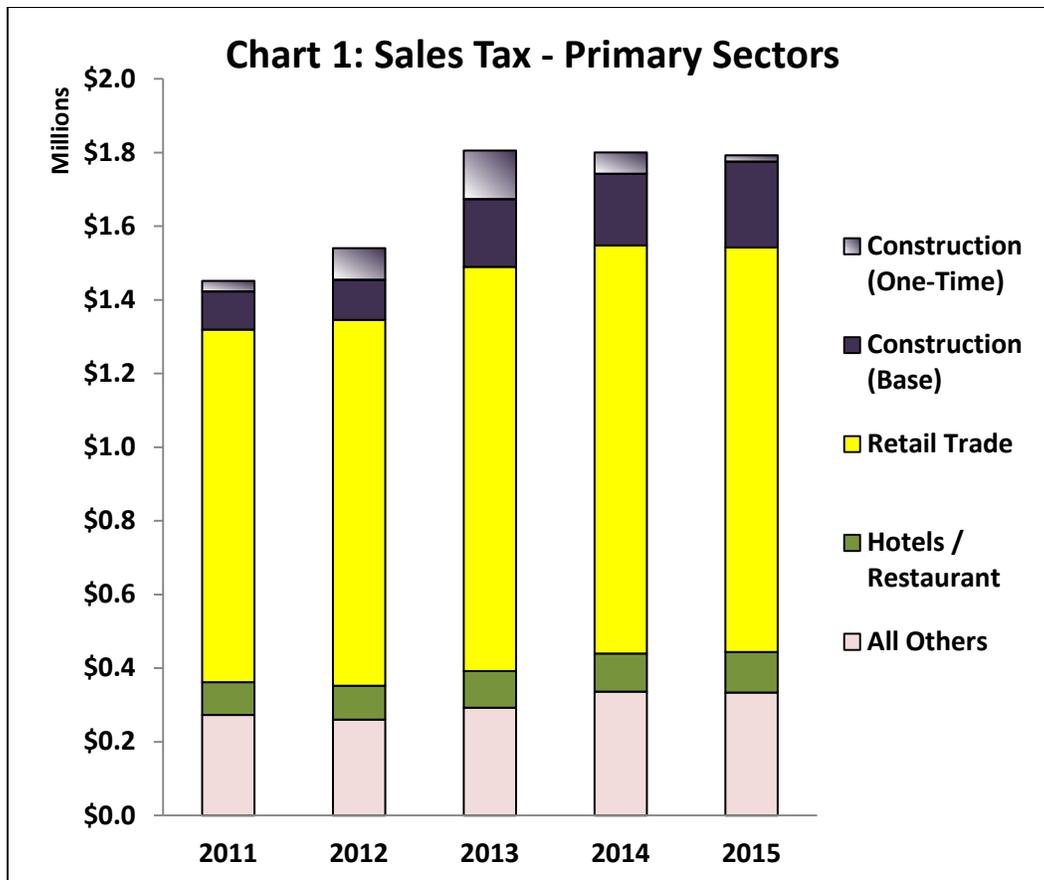
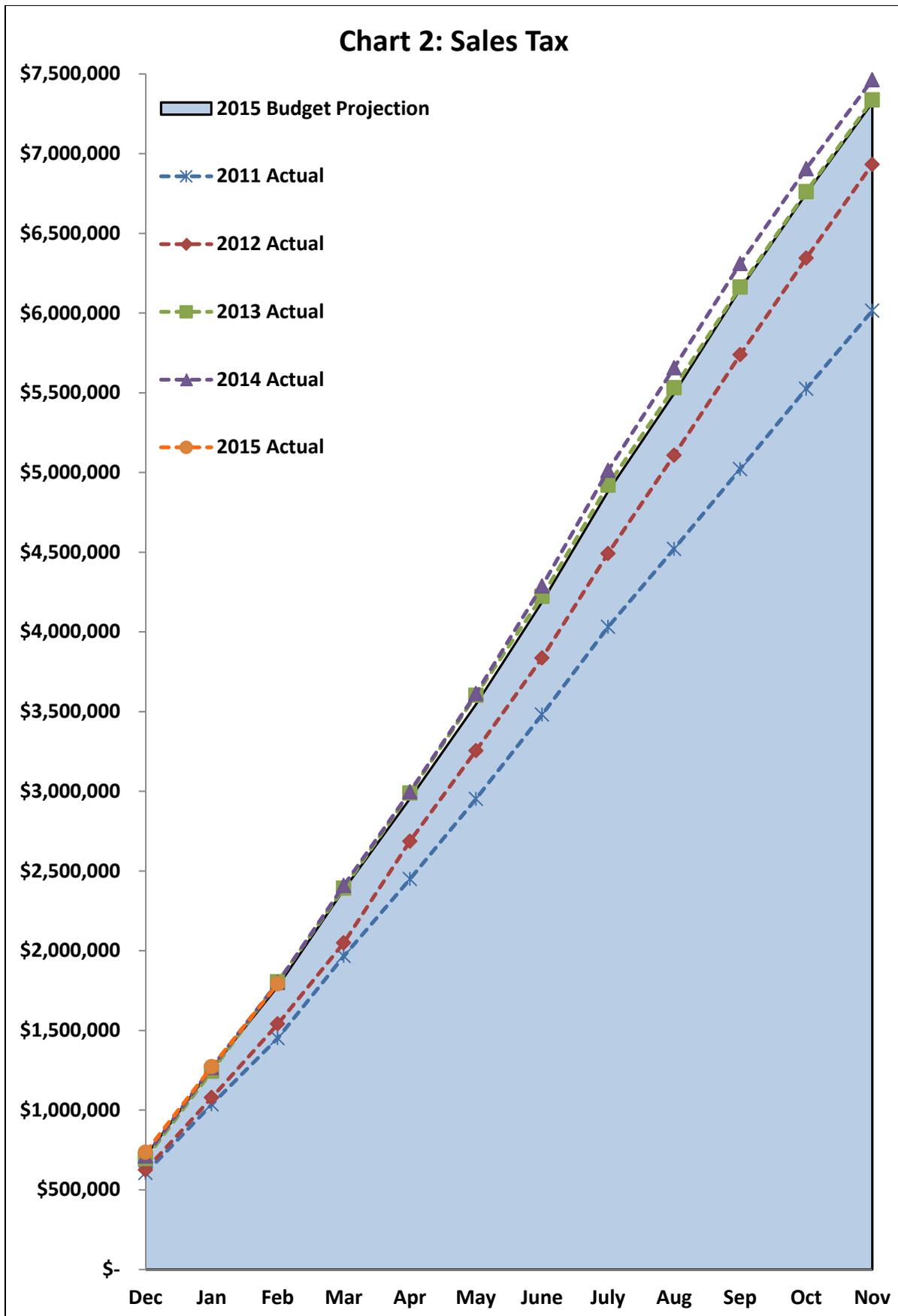


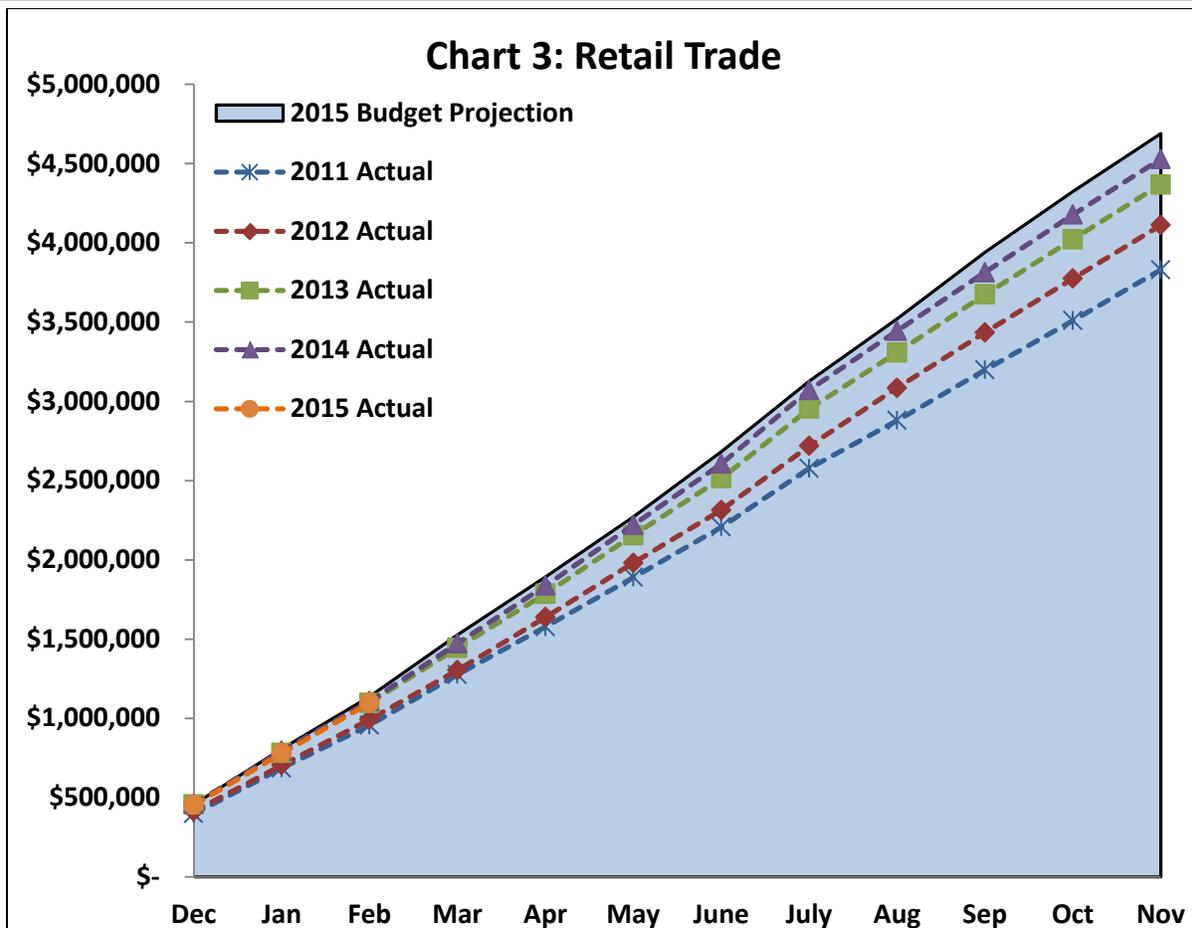
Table 3: Comparison of 2015 YTD Actual Less One-Time to 2015 Budget Projection December 2014 - February 2015				
Primary Sector	2015 YTD Budget Projection	2015 YTD Actual	2015 YTD Actual Less One-Time	2015 YTD Actual Less One-Time v. 2015 YTD Bud. Proj.
Retail Trade Sector	\$1,137,708	\$1,098,395	\$1,098,395	⬇️ -3.5%
Construction Sector	213,320	250,135	232,852	⬆️ 9.2%
Other Taxable Sales Sectors	\$424,714	\$443,948	443,948	⬆️ 4.5%
<b>Total Local Sales &amp; Use Tax</b>	<b>\$1,775,742</b>	<b>\$1,792,477</b>	<b>\$1,775,194</b>	⬇️ 0.0%
Totals may not foot due to rounding.				



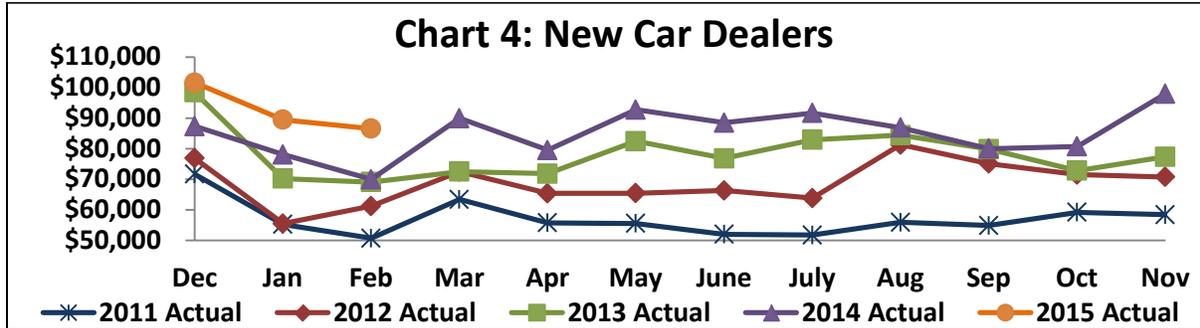
**Retail Trade Sector:**

Receipts from activity for December 2014 through February 2015 are lower than the budget projection by 3.5% (See Table 3) and the year-ago level by 0.9% (See Tables 2 and 4). Staff is currently working with the Washington State Department of Revenue to correct the miscoding of returns which has caused the Building Material & Garden category to appear to be 48.7% lower than the year-ago level.

Table 4: Retail Trade Categories December (Prior Year) - February					
Category	2013	2014 v. 2013 % Change	2014	2015 v. 2014 % Change	2015
Motor Veh. & Parts Dealer	\$282,836	↑ 3.9%	\$293,809	↑ 10.1%	\$323,389
Furniture & Home Furnishings	14,166	↑ 17.6%	16,666	↓ -16.3%	13,943
Electronics & Appliances	25,544	↓ -4.9%	24,280	↑ 23.5%	29,989
Building Material & Garden	124,789	↓ -2.2%	122,018	↓ -48.7%	62,612
Food & Beverage Stores	64,073	↓ -2.7%	62,343	↑ 6.8%	66,566
Health & Personal Care Stores	42,340	↑ 2.4%	43,357	↑ 16.2%	50,383
Gasoline Stations	17,200	↑ 0.1%	17,214	↑ 2.3%	17,615
Clothing & Accessories	13,324	↓ -4.0%	12,789	↑ 25.5%	16,052
Sporting Goods, Hobby, Books	20,868	↑ 8.2%	22,577	↑ 1.4%	22,897
General Merchandise Stores	382,730	↓ -2.4%	373,504	↑ 2.4%	382,369
Miscellaneous Store Retailers	66,684	↑ 4.7%	69,815	↓ -13.9%	60,079
Nonstore Retailers	42,902	↑ 15.9%	49,706	↑ 5.6%	52,503
<b>Total Retail Trade</b>	<b>\$1,097,457</b>	<b>↑ 1.0%</b>	<b>\$1,108,079</b>	<b>↓ -0.9%</b>	<b>\$1,098,395</b>

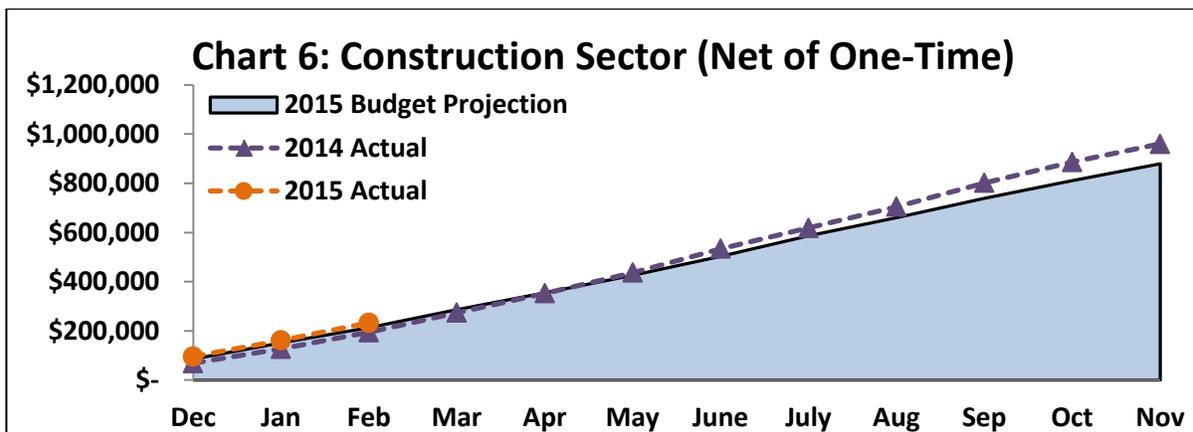
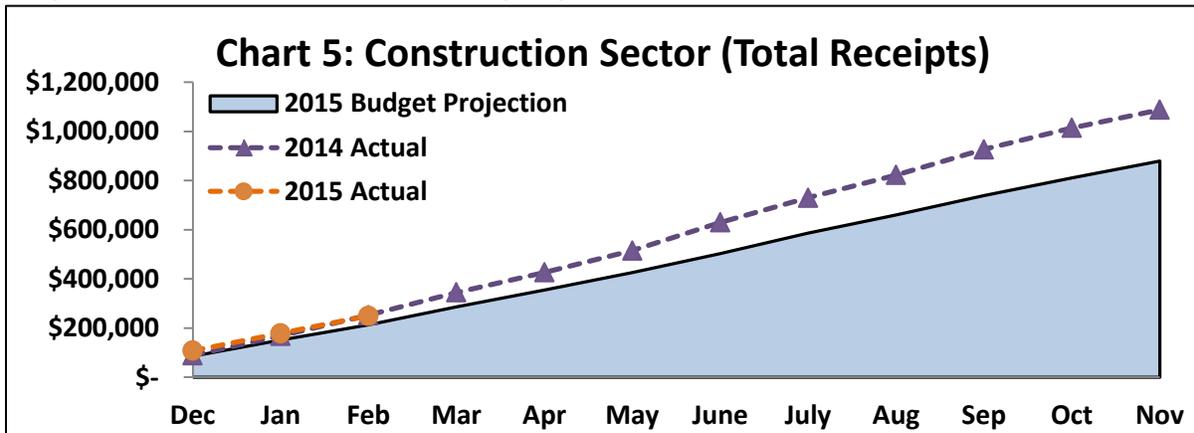


There continues to be significant growth in receipts from new car dealers (in the Motor Vehicle and Parts Dealer category) since 2011. Receipts for the month of February were higher than those for the same period of 2014, 2013, 2012 and 2011 by 23.8%, 25.3%, 41.4%, and 70.7%, respectively (See Chart 4).



**Construction Sector:**

Receipts from activity for December 2014 through February 2015 of \$250,135 are 0.9% lower than the year-ago level of \$252,347 (See Table 2 and Chart 5). Of the amount collected so far this year, \$17,283, or 6.9%, is attributable to one-time activity. Of the amount collected for the same period of 2014, \$57,931, or 23.0%, was attributable to one-time activity. Removing one-time activity from the calculation reveals receipts are 9.2% higher than the budget projection (See Table 3) and higher than the year-ago level by 19.8% (See Chart 6). 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.



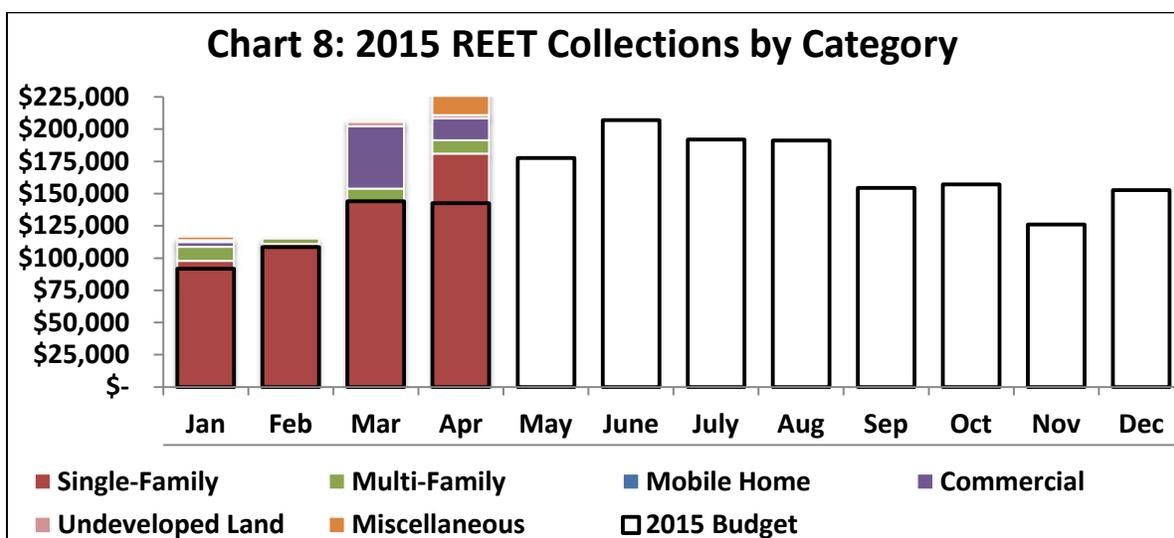
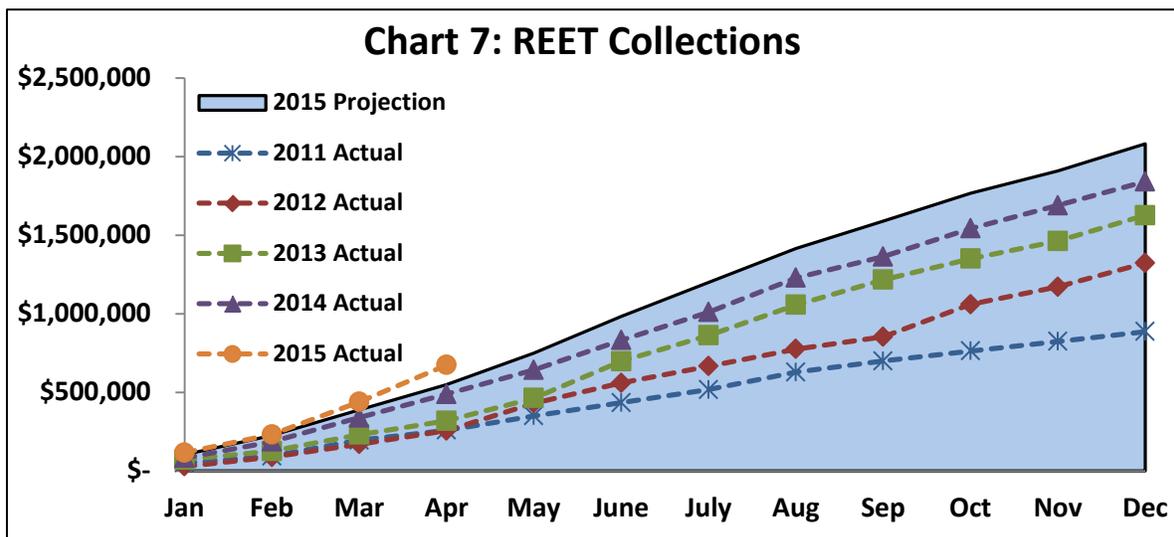
**REET Collections:**

Total REET collections through April 2015 totaling \$674,225 are ahead of the budget projection by 38.5% as well as the year-ago level by 38.1%. Table 5 and Chart 7 below exhibit the REET collections. Chart 8 below exhibits the actual collections by category compared to the overall budget projection for each month.

The collections from Commercial transactions shown in Chart 8 and Tables 7 and 8 for March 2015 were mostly from the sale of the Safeway on Aurora Ave. just south of N 155<sup>th</sup> St. for \$9.3 million.

Table 5: REET Collections						
Month of Activity	2015			2014	2015 v. 2014	
	Budget Projection	Actual	Actual v. Bud. Proj.	Actual	Actual \$ Change	Actual % Change
January	\$91,716	\$116,569	↑ 27.1%	\$82,900	\$33,669	↑ 40.6%
February	108,441	115,392	↑ 6.4%	102,625	12,766	↑ 12.4%
March	144,136	207,359	↑ 43.9%	153,759	53,600	↑ 34.9%
April	142,556	234,906	↑ 64.8%	149,062	85,844	↑ 57.6%
Totals	\$486,848	\$674,225	↑ 38.5%	\$488,346	\$185,879	↑ 38.1%

Totals may not foot due to rounding.



**REET Transactions:**

The number and value of the transactions in April 2015 was higher than the year-ago level. Year-to-date there has been sixty-five more transactions with a value that is \$37.2 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 April in 2014 and 2015. It is interesting to note how much higher transaction values are even though there were only eight transactions greater than \$1.0 million in 2015, as compared to nine in the same period of 2014 (See Table 8).

Table 6: REET Sales (\$ 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	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%
Totals	310	\$134,845	245	\$97,669	65	\$37,176	↑ 38.1%
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 April 2015.

Table 7: 2015 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	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	83	36,212	11	36,212	0	0	1	3,400	7	4,767	2	499
Totals	259	\$106,836	32	\$41,199	0	\$0	4	\$13,845	9	\$5,578	6	\$1,495
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 (71.0%) of the homes sold through April were priced from \$200,000 to \$499,999 with 29.0% priced from \$300,000 to 400,000. The average transaction value for April, excluding sales with a transaction value greater than \$1 million, were 2.4% higher in 2015 than 2014 at \$389,077 and \$379,978, respectively.

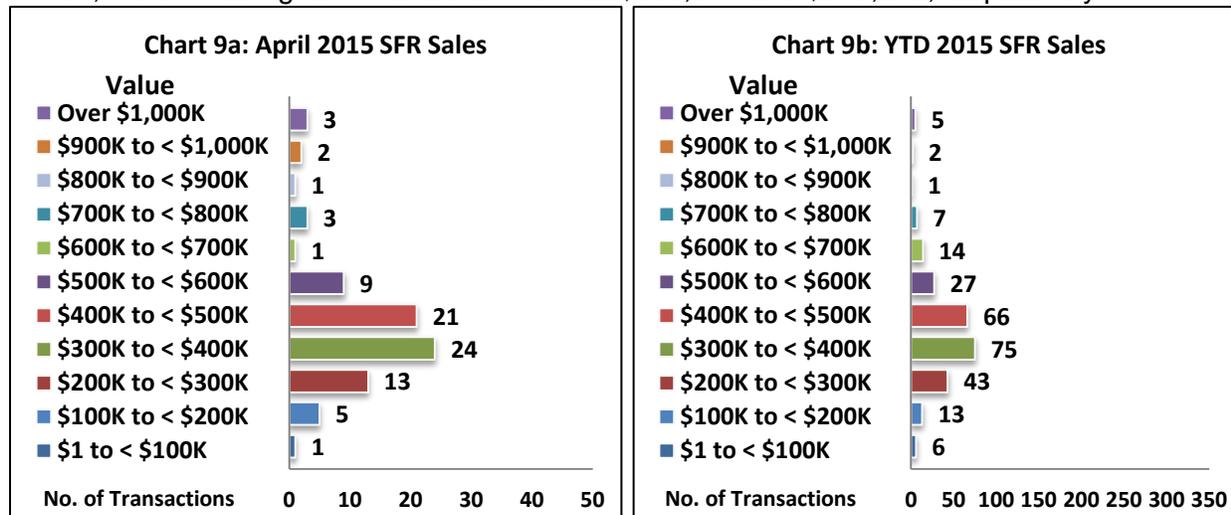
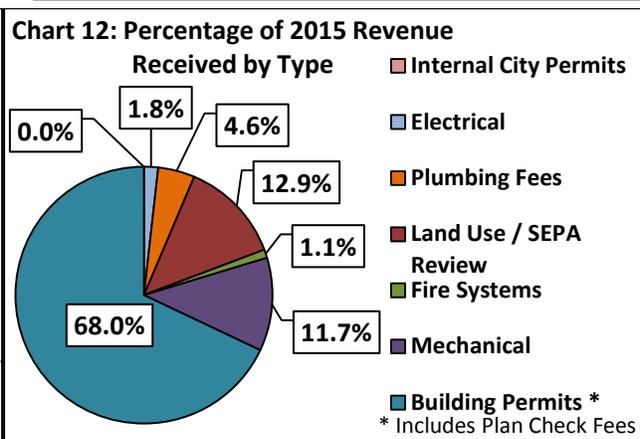
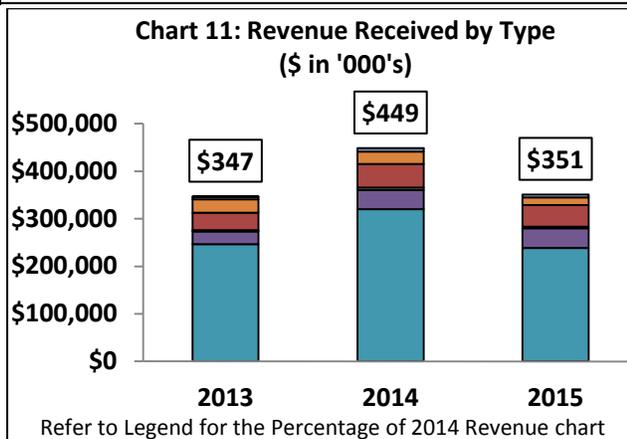
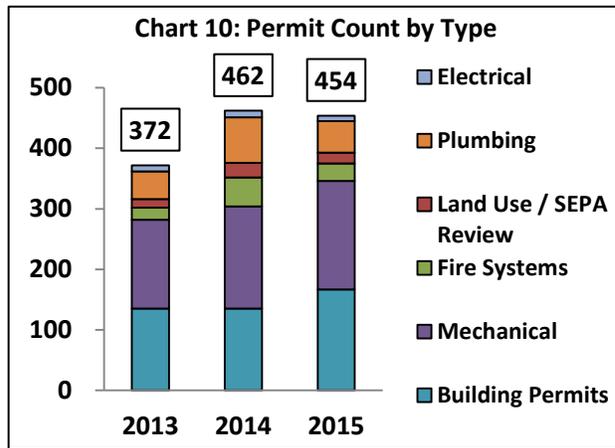


Table 8 below exhibits the number and value of all residential and commercial transactions greater than \$1.0 million. In April 2015 there were five transactions greater than \$1.0 million, four of which were homes and one commercial property (GBC International Bank on Aurora Ave N). Year-to-date through April 2015, there have been six SFRs sold for more than \$1.0 million, which accounts for \$8.3 million, or 39.6%, of the total and two commercial properties, which accounts for \$12.7 million, or 60.4% of the total.

<b>Table 8: REET Sales &gt; \$1 Million (\$ in thousands)</b>							
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
Totals	8	\$20,952	9	\$13,466	(1)	\$7,487	↑ 55.6%
Totals may not foot due to rounding.							

Type	2013	2014	2015	2015 v. 2014 # Chg.	2015 v. 2014 % Chg.
Building *	135	135	167	32	↑ 23.7%
Mechanical	147	169	179	10	↑ 5.9%
Fire Systems	20	48	29	(19)	↓ -39.6%
Land Use / SEPA Review	14	24	18	(6)	↓ -25.0%
Plumbing	46	75	52	(23)	↓ -30.7%
Electrical	10	11	9	(2)	↓ -18.2%
Totals	372	462	454	(8)	↓ -1.7%

\* Includes Plan Check

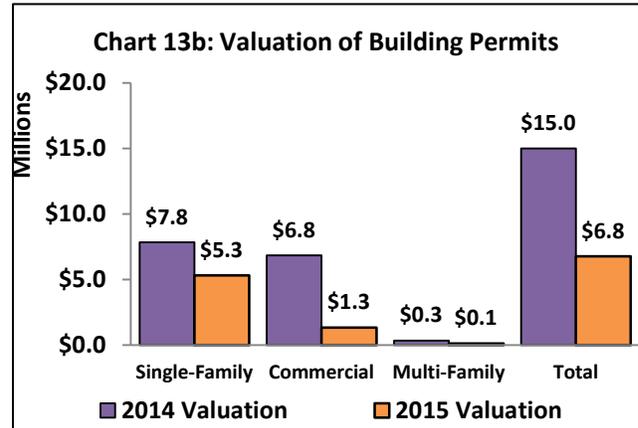
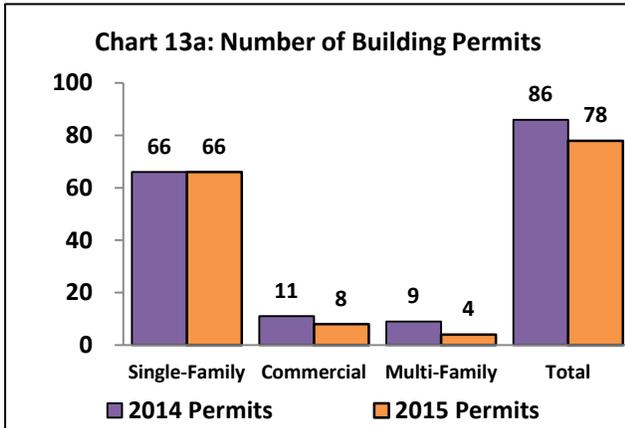


Permit revenue in April 2015 totaled \$90,821. Total revenue to date is \$351,358, which is 15.5% ahead of the year-to-date projection but 21.7% lower than the year-ago level.

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	-	3	28	0	-	0	-
March	4	1,045	12	600	0	-	2	1,288	0	-	0	-
April	1	427	15	382	0	-	1	3	0	-	0	-
Totals	7	\$1,895	59	\$3,423	0	\$0	8	\$1,333	0	\$0	4	\$106

Valuation of seventeen building permits for new construction and remodels issued in April totals \$0.8 million and is comprised 99.7% of residential and 0.3% of commercial / multi-family valuation. Valuation of seventy-eight building permits for new construction and remodels issued year-to-date totals \$6.8 million (See Chart 13b) and is comprised 78.7% of residential and 21.3% of commercial / multi-family valuation.

Local development activity in 2015, in terms of the number of building permits pulled for new construction and remodels in 2015, is lower than the year-ago level (See Chart 13a). The valuation is also lower (See Chart 13b). A substantial portion of the difference is related to the timing of the large projects that occurred in March and April 2014 (see list below). A significant project worth mentioning in 2015 is also 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)