

City of Shoreline
February 2015 Revenue Report

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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.

Total sales tax receipts for the month of February 2015, which reflects activity from December 2014, are higher than the budget projection and the year-ago level by 3.2% and 3.4%, respectively (See Table 1). Removing one-time construction activity from the calculation reveals receipts are higher than the budget projection by 1.5% (See Table 3), as well as the year-ago level by 4.7%.

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%
Totals	\$713,638	\$736,315	↑ 3.2%	\$712,174	↑ 3.4%
Totals may not foot due to rounding.					

Table 2 and Chart 1 below illustrate that receipts in three of the primary categories continue to be higher compared to their year-ago level.

Table 2: Sales Tax - Primary Categories December (Prior Year)					
Primary Category	2011	2012	2013	2014	2015
Construction	\$63,185	\$74,210	\$88,378	\$89,221	\$108,414
\$ Change	\$640	\$11,025	\$14,168	\$843	\$19,193
% Change	↑ 1.0%	↑ 17.4%	↑ 19.1%	↑ 1.0%	↑ 21.5%
Retail Trade	\$397,773	\$412,731	\$456,297	\$460,253	\$454,483
\$ Change	\$10,100	\$14,958	\$43,566	\$3,956	(\$5,770)
% Change	↑ 2.6%	↑ 3.8%	↑ 10.6%	↑ 0.9%	↓ -1.3%
Hotels / Restaurant	\$33,121	\$32,767	\$35,554	\$36,585	\$39,759
\$ Change	\$294	(\$354)	\$2,787	\$1,030	\$3,174
% Change	↑ 0.9%	↓ -1.1%	↑ 8.5%	↑ 2.9%	↑ 8.7%
All Others	\$111,790	\$105,644	\$115,416	\$126,116	\$133,659
\$ Change	(\$2,387)	(\$6,146)	\$9,772	\$10,700	\$7,543
% Change	↓ -2.1%	↓ -5.5%	↑ 9.3%	↑ 9.3%	↑ 6.0%
Total Revenue	\$605,869	\$625,352	\$695,645	\$712,174	\$736,315
\$ Change	\$8,647	\$19,483	\$70,293	\$16,529	\$24,140
% Change	↑ 1.4%	↑ 3.2%	↑ 11.2%	↑ 2.4%	↑ 3.4%

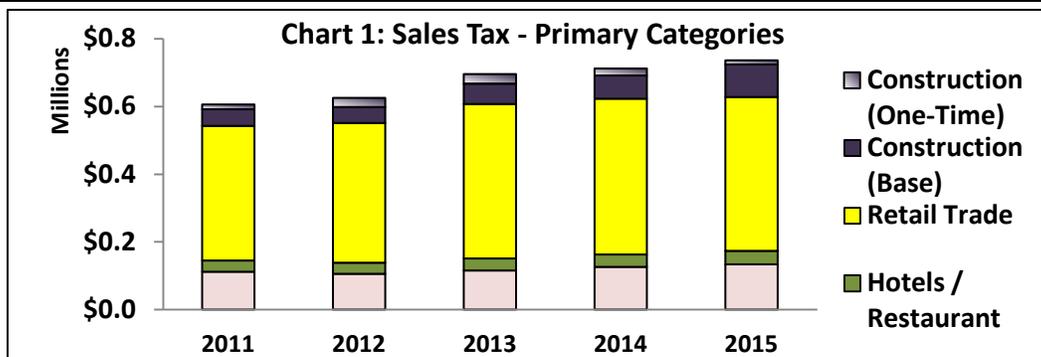
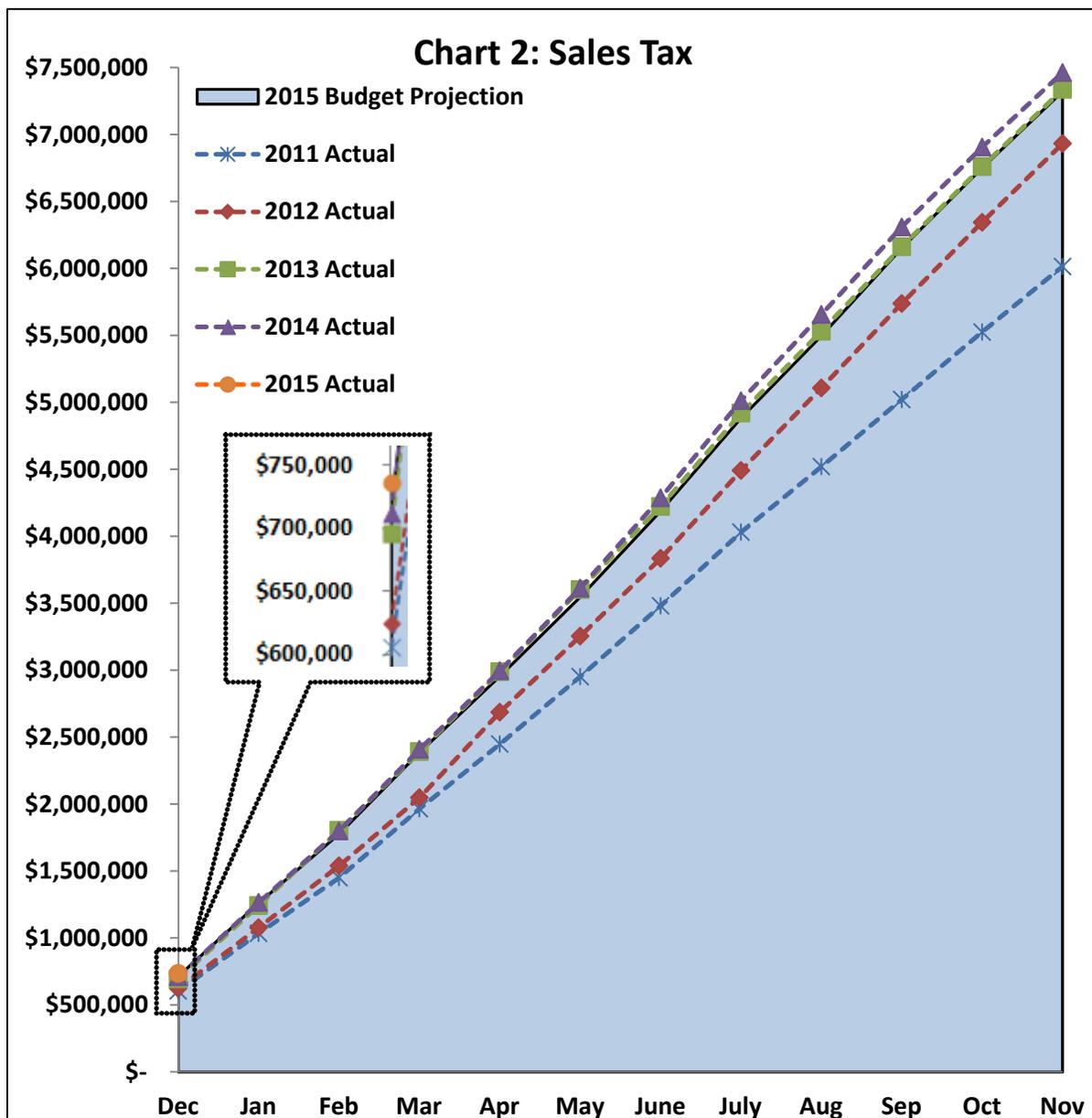


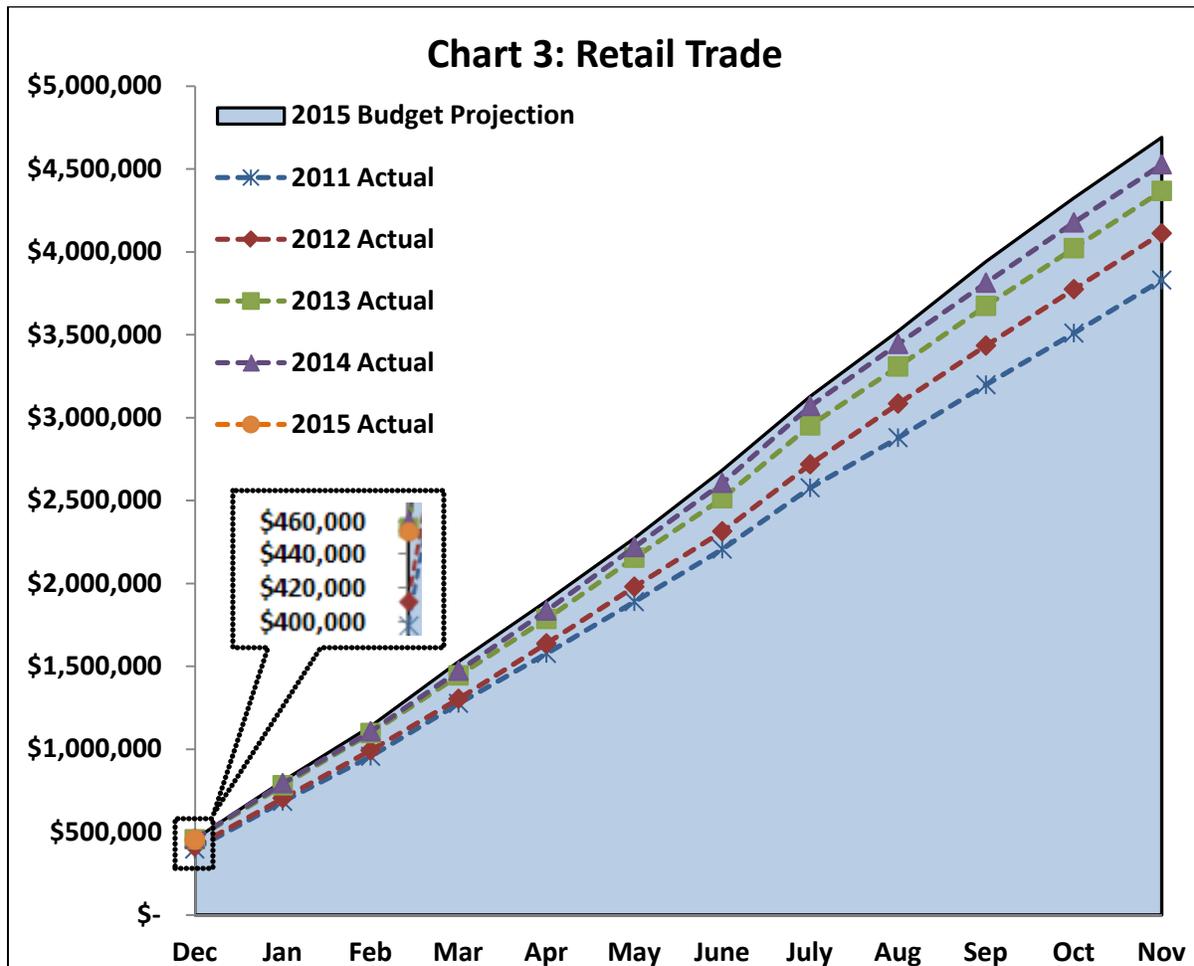
Table 3: Comparison of 2015 YTD Actual Less One-Time to 2015 Budget Projection December (Prior Year)				
Category	2015 YTD Budget Projection	2015 YTD Actual	2015 YTD Actual Less One-Time	2015 YTD Actual Less One-Time v. 2015 YTD Bud. Proj.
Retail Trade Sector	\$457,223	\$454,483	\$454,483	⬇️ -0.6%
Construction Sector	85,729	108,414	96,207	⬆️ 12.2%
Other Taxable Sales Sectors	\$170,686	173,418	173,418	⬆️ 1.6%
Total Local Sales & Use Tax	\$713,638	\$736,315	\$724,108	⬆️ 1.5%
Totals may not foot due to rounding.				



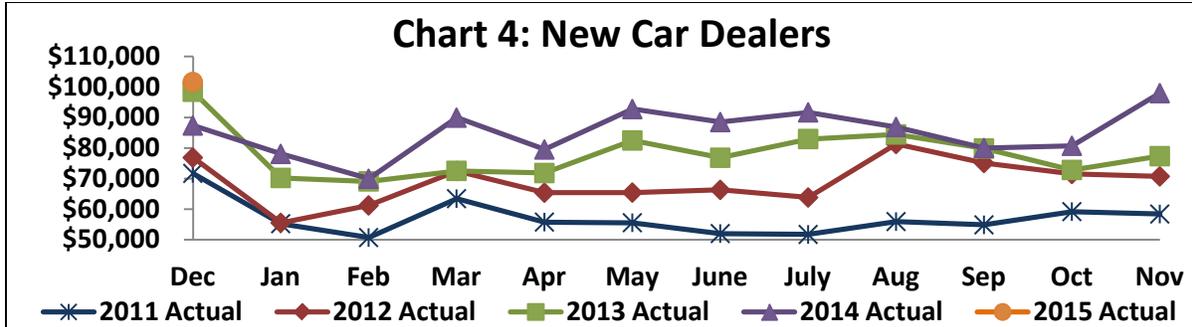
Retail Trade Sector:

Receipts from activity for December 2014 are lower than the budget projection by 0.6% (See Table 3) and the year-ago level by 1.3% (See Tables 2 and 4).

Table 4: Retail Trade Categories December (Prior Year)					
Category	2013	2014 v. 2013 % Change	2014	2015 v. 2014 % Change	2015
Motor Veh. & Parts Dealer	\$113,320	↑ 1.4%	\$114,920	↑ 1.0%	\$116,046
Furniture & Home Finishings	6,086	↓ -7.2%	5,651	↑ 19.8%	6,770
Electronics & Appliances	7,713	↑ 12.2%	8,657	↑ 33.5%	11,559
Building Material & Garden	46,660	↓ -11.5%	41,310	↓ -48.6%	21,235
Food & Beverage Stores	24,801	↓ -5.2%	23,502	↑ 21.2%	28,494
Health & Personal Care Stores	17,714	↑ 6.0%	18,776	↑ 6.3%	19,949
Gasoline Stations	5,646	↑ 3.3%	5,832	↑ 5.4%	6,149
Clothing & Accessories	7,072	↑ 1.4%	7,169	↑ 27.2%	9,116
Sporting Goods, Hobby, Books	7,721	↑ 30.1%	10,048	↓ -0.4%	10,008
General Merchandise Stores	173,752	↓ -0.8%	172,438	↑ 0.7%	173,561
Miscellaneous Store Retailers	27,047	↑ 4.5%	28,263	↓ -7.4%	26,176
Nonstore Retailers	18,764	↑ 26.2%	23,687	↑ 7.3%	25,420
Total Retail Trade	\$456,297	↑ 0.9%	\$460,253	↓ -1.3%	\$454,483

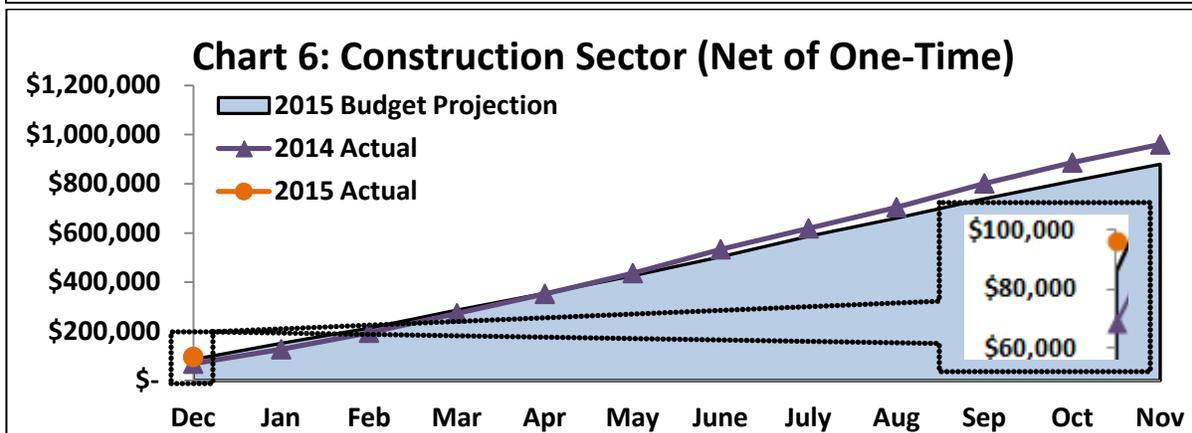
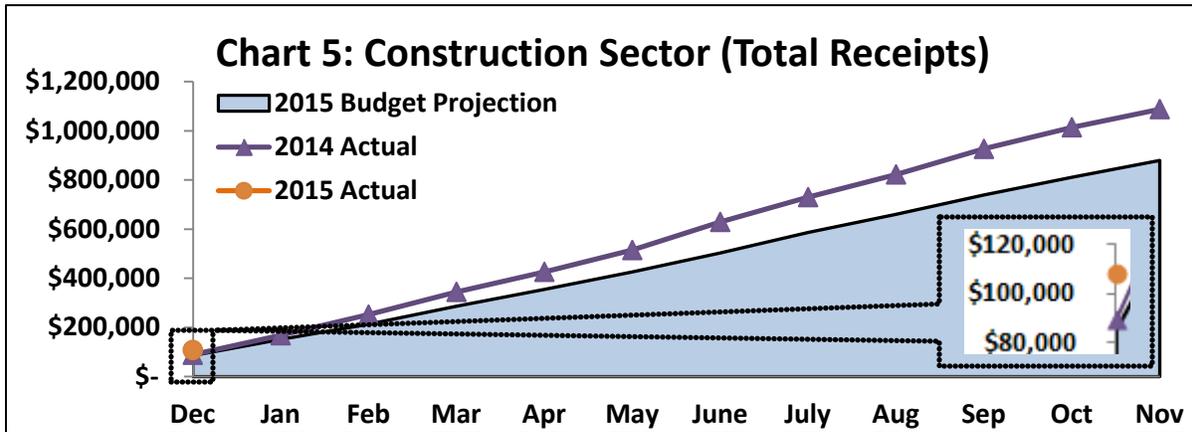


There has been significant growth in receipts from new car dealers (in the Motor Vehicle and Parts Dealer category) since 2011. Receipts for the month of December were higher than those for the same period of 2014, 2013, 2012 and 2011 by 16.3%, 3.2%, 32.2%, and 41.7%, respectively (See Chart 4).



Construction Sector:

Receipts from activity for December 2014 of \$108,414 are 21.5% higher than the year-ago level of \$89,221 (See Table 2 and Chart 5). Of the amount collected so far this year, \$12,207, or 11.3%, is attributable to one-time activity. Of the amount collected for the same period of 2014, \$20,707, or 23.2%, was attributable to one-time activity. Removing one-time activity from the calculation reveals receipts are 12.2% higher than the budget projection (See Table 3) and higher than the year-ago level by 40.4% (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.

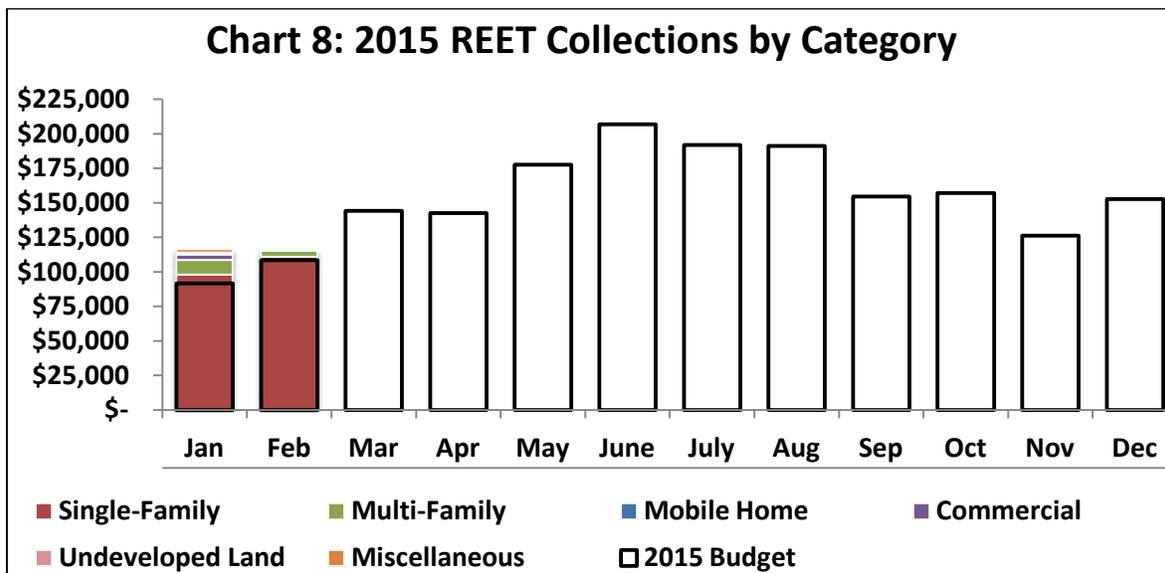
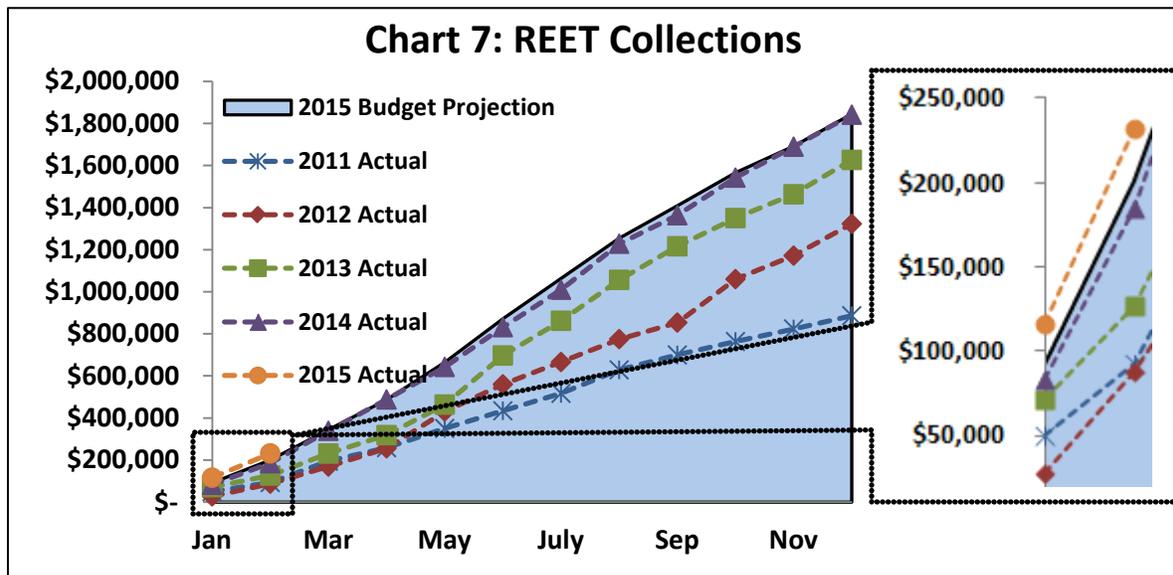


REET Collections:

Total REET collections through February 2015 totaling \$231,961 are ahead of the budget projection by 15.9% as well as the year-ago level by 25.0%. 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.

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%
Totals	\$200,156	\$231,961	↑ 15.9%	\$185,525	\$46,435	↑ 25.0%

Totals may not foot due to rounding.



REET Transactions:

The number and value of the transactions in February 2015 was higher than the year-ago level. Year-to-date there has been thirty-two more transactions with a value that is \$9.3 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 February in 2014 and 2015. It is interesting to note that transaction values are higher even though there was only one transaction greater than \$1.0 million in 2015, as compared to four in the same period of 2014 (See Table 8).

Table 6: REET Sales (\$ in thousands)							
	2015		2014		2015 v. 2014		
Month of Activity	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%
Totals	119	\$46,392	87	\$37,105	32	\$9,287	↑ 25.0%
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 February 2015.

Table 7: 2015 REET Sales by Category (\$ in thousands)												
	Single-Family		Multi-Family		Mobile Home		Commercial		Miscellaneous		Undeveloped	
Month of Activity	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	\$19,604	0	\$0	1	\$768	1	\$505	1	\$300
February	59	22,189	3	888	0	0	0	0	0	0	1	1
Totals	103	\$41,793	12	\$20,492	0	\$0	1	\$768	1	\$505	2	\$301
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 (68.0%) of the homes sold through February were priced from \$200,000 to \$499,999 with 31.1% priced from \$300,000 to 400,000. The average transaction value in February 2015 was \$376,091. The February 2014 average was \$408,737 (excluding sales > \$1 million).

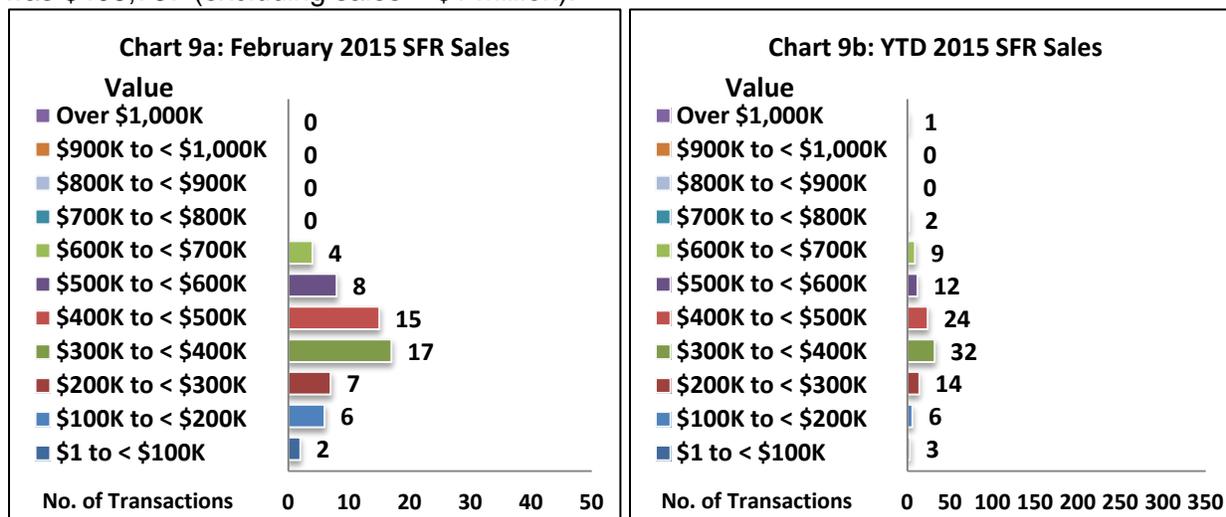
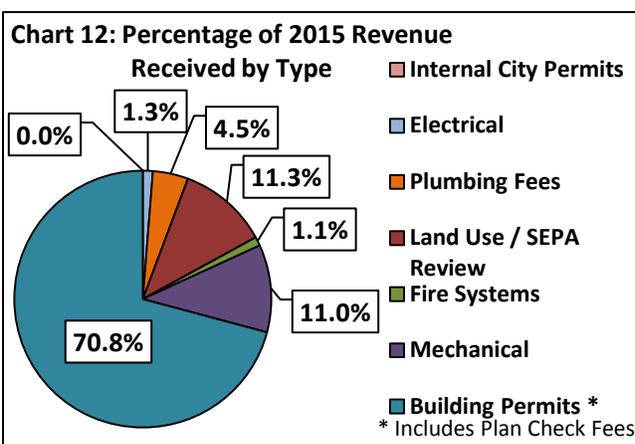
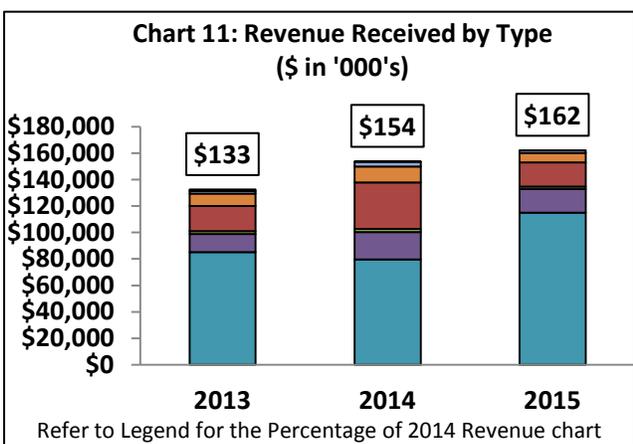
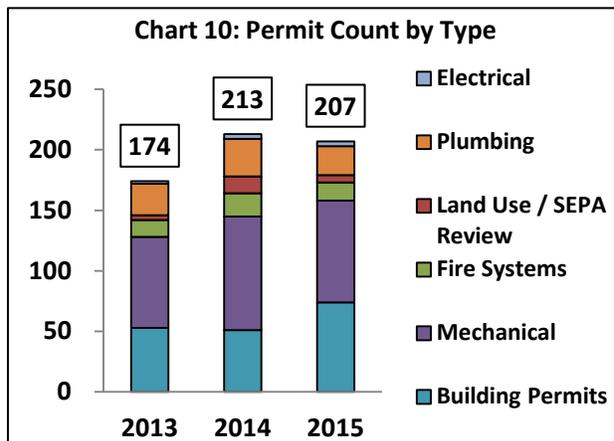


Table 8 below exhibits the number and value of all residential and commercial transactions greater than \$1.0 million. In February 2015 there were no transactions greater than \$1.0 million. Through February 2015, there has been one SFR sold for more than \$1.0 million, which has accounted for \$1.8 million, or 3.8%, of the total sales amount.

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
Totals	1	\$1,755	4	\$7,466	(3)	(\$5,711)	↓ -76.5%
Totals may not foot due to rounding.							

Type	2013	2014	2015	2015 v. 2014 # Chg.	2015 v. 2014 % Chg.
Building *	53	51	74	23 ↑	45.1%
Mechanical	75	94	84	(10) ↓	-10.6%
Fire Systems	14	19	15	(4) ↓	-21.1%
Land Use / SEPA Review	4	14	6	(8) ↓	-57.1%
Plumbing	26	31	24	(7) ↓	-22.6%
Electrical	2	4	4	0 ↗	0.0%
Totals	174	213	207	(6) ↘	-2.8%

* Includes Plan Check



Permit revenue in February 2015 totaled \$76,342. Total revenue to date is \$162,303, which is 25.5% ahead of the projection and 5.4% ahead of the year-ago level.

Valuation of twenty-three building permits for new construction and remodels issued in February totals \$2.0 million and is comprised 98.6% of residential and 1.4% of commercial / multi-family valuation. Valuation of forty-three building permits for new construction and remodels issued year-to-date totals \$3.0 million (See Chart 13b) and is comprised 95.1% of residential and 4.9% 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	0	\$0	14	\$863	0	\$0	2	\$15	0	\$0	4	\$106
February	2	423	18	1,578	0	-	3	28	0	-	0	-
Totals	2	\$423	32	\$2,441	0	\$0	5	\$43	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, has increased from the year-ago level (See Chart 13a) and the valuation is higher (See Chart 13b).

