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 (DOR) 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 S-1: Sales Tax - Variance by Month

	2015					2014	
Month of Activity	Budget Projection	Revised Projection	Actual	Actual v. Bud. Proj. % Var.	Actual v. Rev. Proj. % Var.	Actual	2015 v. 2014 % Change
December (Prior Yr)	$713,638	$739,577	$792,683	11.1%	7.2%	$712,174	11.3%
January	$546,336	$565,784	$565,161	3.4%	-0.1%	$554,366	1.9%
February	$515,769	$533,078	$547,403	6.1%	2.7%	$533,674	2.6%
March	$608,209	$628,482	$630,073	3.6%	0.3%	$609,471	3.4%
April	$569,822	$580,611	$605,418	6.2%	4.3%	$587,117	3.1%
May	$591,739	$610,522	$625,846	5.8%	2.5%	$616,693	1.5%
June	$641,473	$661,835	$702,026	9.4%	6.1%	$674,044	4.2%
Totals	$4,186,985	$4,319,888	$4,468,609	6.7%	3.4%	$4,287,540	4.2%

Totals may not foot due to rounding.

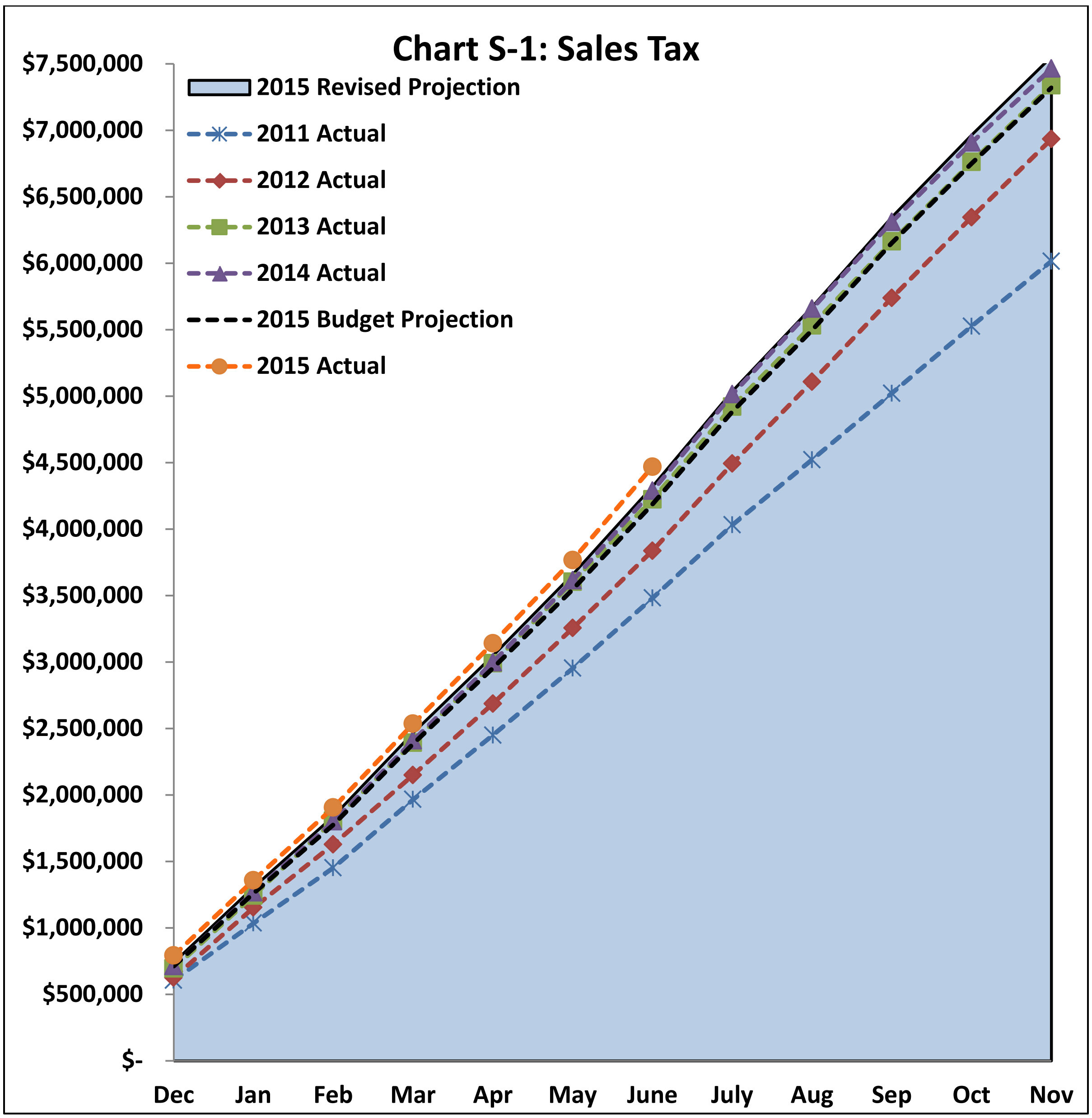
Total sales tax receipts through the month of August 2015, which reflects activity from December 2014 through June 2015, are higher than the budget projection by 6.7%, the revised projection by 3.4%, and the year-ago level by 4.2%. Removing one-time construction activity from the calculation reveals total receipts are higher than the budget projection by 6.3%, revised projection by 3.0% (See Table S-3), and the year-ago level by 6.2%.

Staff's review of the detailed categories in Table S-4 revealed that some businesses may be miscoding their tax returns. Staff is working with the DOR to investigate and correct this issue. Until the issue is resolved the Miscellaneous Store Retailers category will appear to be lower than the year-ago level.

Table S-2: Sales Tax - Primary Sectors December (Prior Year) - June

Primary Sector	2011	2012	2013	2014	2015
Construction	$352,252	$658,865	$780,581	$629,469	**$590,035**
$ Change	$33,955	$306,613	$121,716	($151,112)	**($39,434)**
% Change	10.7%	87.0%	18.5%	-19.4%	**-6.3%**
Retail Trade	$2,206,685	$2,314,182	$2,513,906	$2,606,623	**$2,806,361**
$ Change	$76,356	$107,497	$199,724	$92,716	**$199,739**
% Change	3.6%	4.9%	8.6%	3.7%	**7.7%**
Hotels / Restaurant	$218,627	$225,636	$242,157	$253,911	**$273,464**
$ Change	$274	$7,009	$16,521	$11,754	**$19,553**
% Change	0.1%	3.2%	7.3%	4.9%	**7.7%**
All Others	$703,350	$637,214	$686,413	$797,538	**798,749**
$ Change	$61,428	($66,136)	$49,199	$111,124	**$1,211**
% Change	9.6%	-9.4%	7.7%	16.2%	**0.2%**
Total Revenue	$3,480,914	$3,835,897	$4,223,058	$4,287,540	**$4,468,609**
$ Change	$172,013	$354,983	$387,161	$64,482	**$181,070**
% Change	5.2%	10.2%	10.1%	1.5%	**4.2%**

Table S-3: Comparison of 2015 YTD Actual Less One-Time to 2015 Budget Projection December 2014 - June 2015						
Primary Sector	2015 YTD Budget Projection	2015 YTD Revised Projection	2015 YTD Actual	2015 YTD Actual Less One-Time	2015 YTD Actual Less One-Time v. 2015 YTD Bud. Proj.	2015 YTD Actual Less One-Time v. 2015 YTD Rev. Proj.
Retail Trade Sector	$2,682,577	$2,764,728	$2,806,361	$2,806,361	4.6%	1.5%
Construction Sector	$502,983	$518,387	$590,035	$572,749	13.9%	10.5%
Other Taxable Sales Sectors	$1,001,425	$1,036,774	$1,072,213	$1,072,213	7.1%	3.4%
Total Local Sales & Use Tax	$4,186,985	$4,319,888	$4,468,609	$4,451,323	6.3%	3.0%
	Totals may not foot due to rounding.					



Retail Trade Sector:
Receipts from activity for December 2014 through June 2015 are higher than the budget projection by 4.6%, revised projection by 1.5% (See Table S-3), and year-ago level by 7.7% (See Tables S-2 and S-4). In August, staff contacted the DOR to investigate the possible miscoding of some tax returns since September 2014 which has caused the Miscellaneous Store Retailers category to appear to be 7.7% lower than the year-ago level (See Table S-4).

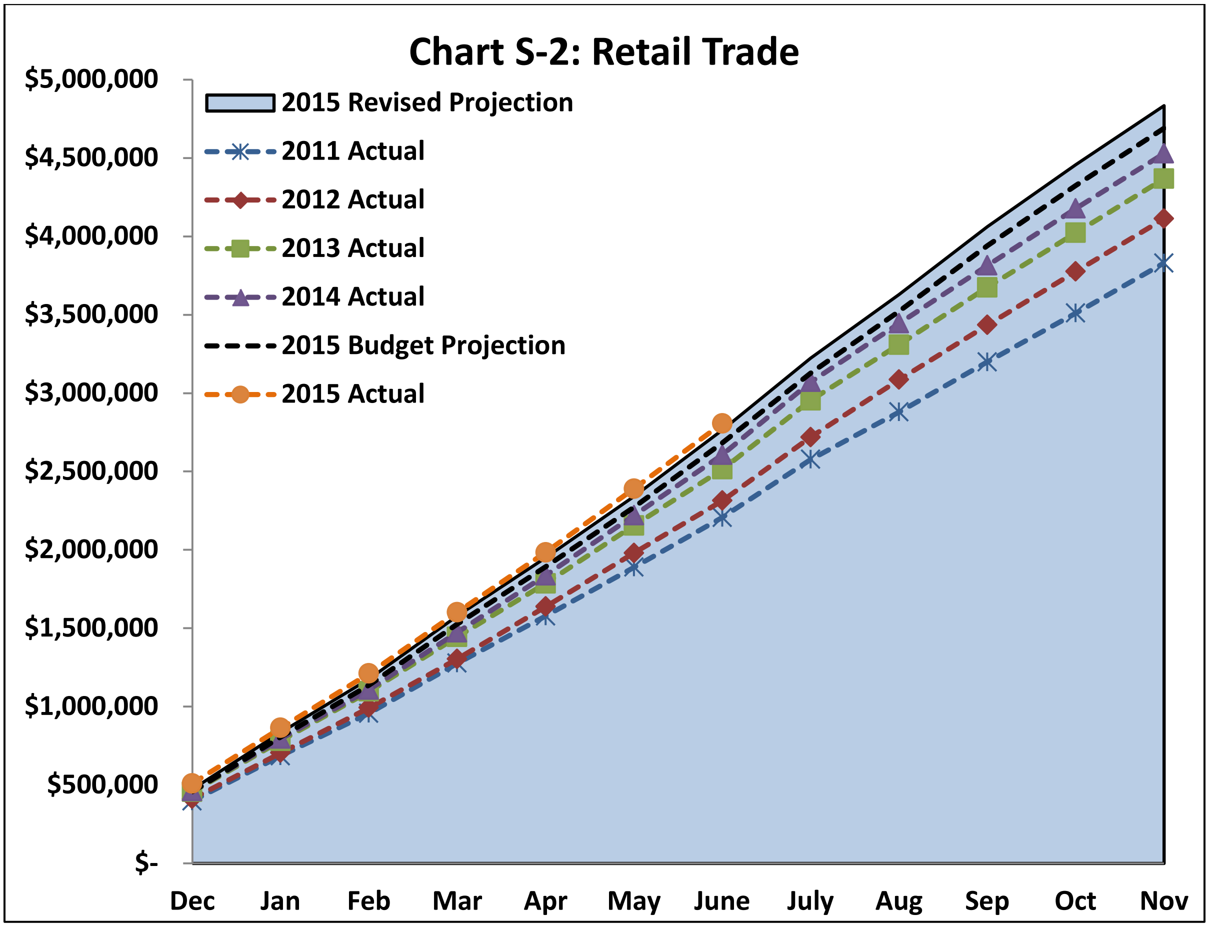
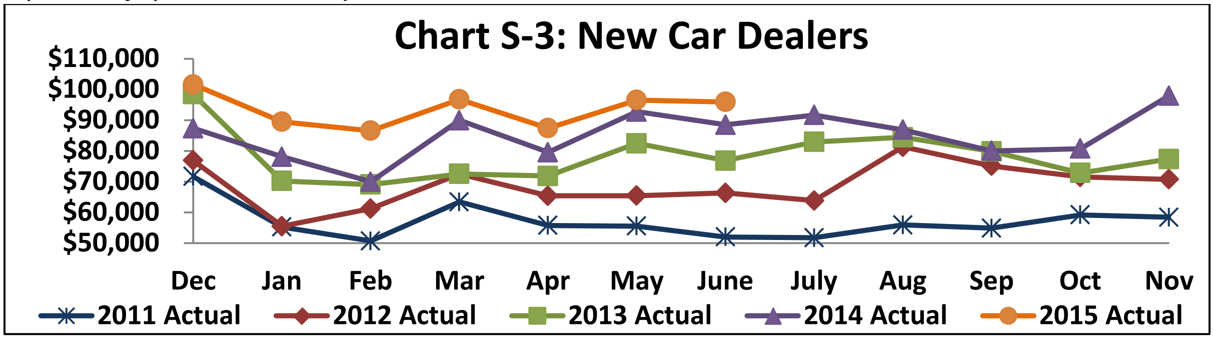


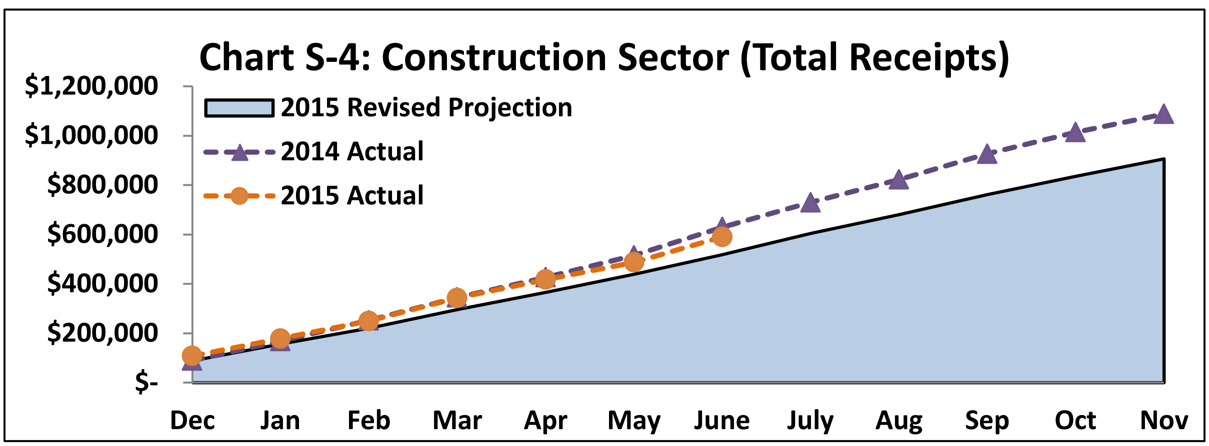
Table S-4: Retail Trade Categories
December (Prior Year) - June

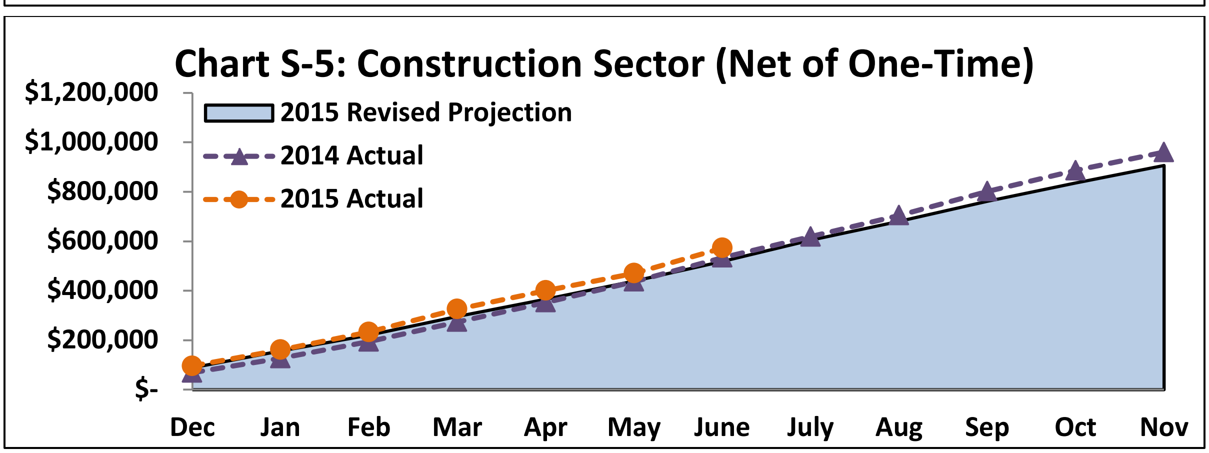
Category	2013	2014 v. 2013 % Change	2014	2015 v. 2014 % Change	2015
Motor Veh. & Parts Dealer	$647,885	10.0%	$712,649	8.1%	$770,634
Furniture & Home Funishings	$31,341	15.7%	$36,262	-10.7%	$32,367
Electronics & Appliances	$54,293	18.3%	$64,220	-6.1%	$60,290
Building Material & Garden	$382,101	1.7%	$388,767	21.9%	$473,789
Food & Beverage Stores	$153,312	-4.0%	$147,178	4.6%	$153,928
Health & Personal Care Stores	$95,721	2.9%	$98,524	24.1%	$122,227
Gasoline Stations	$43,326	-1.1%	$42,851	7.6%	$46,123
Clothing & Accessories	$27,568	2.9%	$28,357	19.9%	$33,986
Sporting Goods, Hobby, Books	$44,255	9.1%	$48,294	5.0%	$50,708
General Merchandise Stores	$796,410	-1.1%	$787,807	2.8%	$810,162
Miscellaneous Store Retailers	$151,133	0.5%	$151,886	-7.7%	$140,227
Nonstore Retailers	$86,559	15.3%	$99,828	12.1%	$111,922
Total Retail Trade	**$2,513,906**	**3.7%**	**$2,606,623**	**7.7%**	**$2,806,361**

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 June were higher than those for the same period of 2014, 2013, 2012 and 2011 by 8.4%, 24.9%, 44.7%, and 84.5%, respectively (See Chart S-3).



Construction Sector:
Receipts from activity for December 2014 through June 2015 of $590,035 are 6.3% lower than the year-ago level of $629,469 (See Table S-2 and Chart S-4). Of the amount collected so far this year, $17,286, or 2.9%, is attributable to one-time activity. Of the amount collected for the same period of 2014, $95,933, or 15.2%, was attributable to one-time activity. Removing one-time activity from the calculation reveals receipts are higher than the budget projection by 13.9%, revised projection by 10.5% (See Table S-3), and the year-ago level by 7.3% (See Chart S-5). 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.

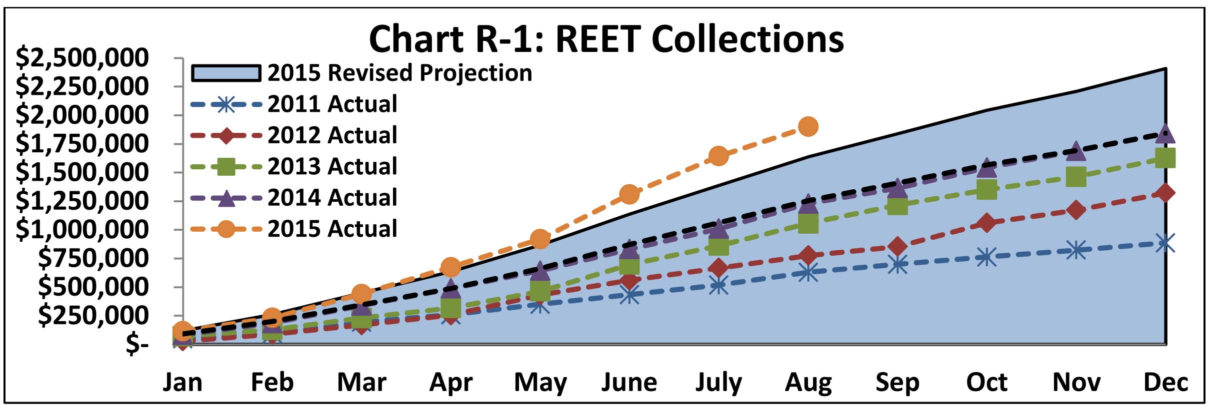


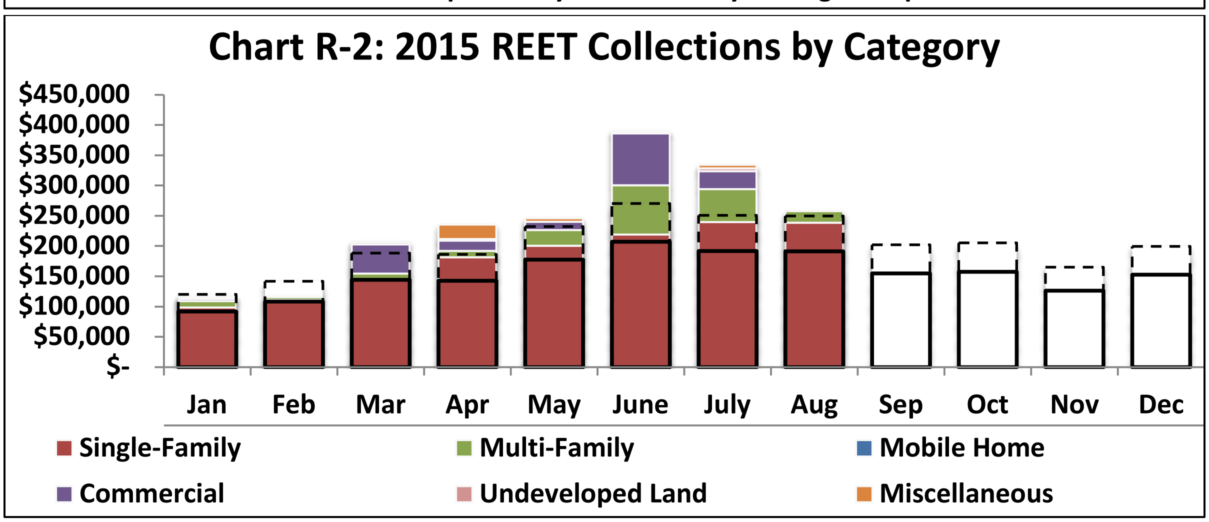


REET Collections:
Total REET collections through August 2015 totaling $1,900,632 are ahead of the budget projection by 51.5%, the revised projection by 16.1%, and the year-ago level by 54.7%. Table R-1 and Chart R-1 below exhibit the REET collections. Chart R-2 below exhibits the actual collections by category compared to the overall budget and revised projections for each month. The collections from Commercial transactions shown in Chart R-2 and Tables R-2 and R-3 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 R-1: REET Collections

Month of Activity	2015 Budget Projection	2015 Revised Projection	2015 Actual	Actual v. Bud. Proj.	Actual v. Rev. Proj.	2014 Actual	2015 v. 2014 Actual $ Change	2015 v. 2014 Actual % Change
January	$91,716	$119,719	$116,569	27.1%	-2.6%	$82,900	$33,669	40.6%
February	$108,441	$141,551	$115,392	6.4%	-18.5%	$102,625	$12,766	12.4%
March	$144,136	$188,145	$207,359	43.9%	10.2%	$153,759	$53,600	34.9%
April	$142,556	$186,083	$234,906	64.8%	26.2%	$149,062	$85,844	57.6%
May	$177,690	$231,944	$245,735	38.3%	5.9%	$154,550	$91,184	59.0%
June	$206,936	$270,120	$389,551	88.2%	44.2%	$189,068	$200,483	106.0%
July	$191,875	$250,461	$333,974	74.1%	33.3%	$178,212	$155,762	87.4%
August	$191,180	$249,554	$257,147	34.5%	3.0%	$218,626	$38,522	17.6%
Totals	$1,254,529	$1,637,577	$1,900,632	51.5%	16.1%	$1,228,803	$671,830	54.7%
	Totals may not foot due to rounding.							





REET Transactions:
The number and value of the transactions in August 2015 were higher than the year-ago level. Year-to-date there has been 185 more transactions with a value that is $134.3 million more than the year-ago level. Table R-2 below exhibits the number of sales and value of all residential and commercial transactions that occurred during the period of January through August in 2014 and 2015. It continues to be interesting to note how much higher transaction values are even though there were only 25 transactions greater than $1.0 million in 2015, as compared to 20 in the same period of 2014 (See Table R-4).

Table R-2: 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%
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%
July	133	$66,795	89	$35,642	44	$31,152	87.4%
August	124	$51,429	108	$43,725	16	$7,704	17.6%
Totals	792	$380,126	607	$245,761	185	$134,366	54.7%

Totals may not foot due to rounding.

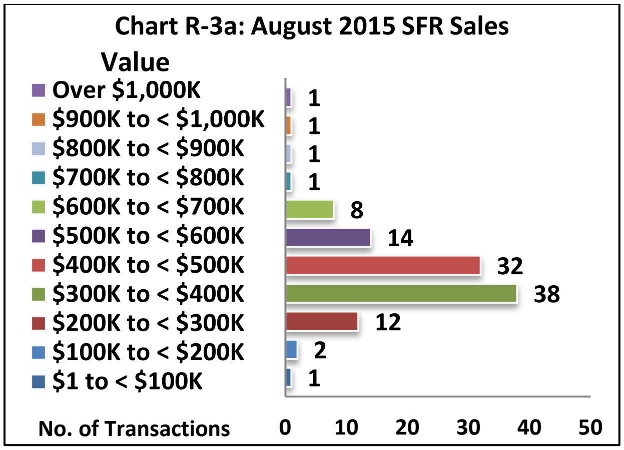
Table R-3 below exhibits the number and value of sales by category that occurred during the period of January through August 2015.

Table R-3: 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	$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
July	105	$47,899	21	$10,843	0	$0	2	$5,893	2	$1,155	3	$1,005
August	111	$47,647	13	$3,782	0	$0	0	$0	0	$0	0	$0
Totals	649	$286,071	111	$43,283	0	$0	9	$39,687	14	$8,519	9	$2,565

Totals may not foot due to rounding.

Charts R-3a and R-3b are histograms exhibiting the number of single-family residences that sold in 2015 in each of the various price ranges. The majority (73.9%) of the homes sold through July were priced from $200,000 to $499,999 with 34.2% priced from $300,000 to $399,999 and 28.8% 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 9.1% higher in 2015 than 2014 at $423,216 and $388,032, respectively.



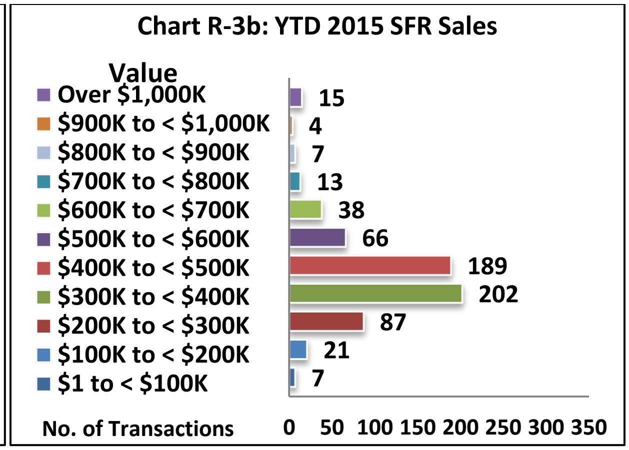


Table R-4 below exhibits the number and value of all residential and commercial transactions greater than $1.0 million. In August 2015 there was one SFR transactions greater than $1.0 million. Year-to-date through August 2015, there have been fifteen SFRs sold for more than $1.0 million, which accounts for $24.1 million, or 30.0%, of the total and ten commercial properties, which accounts for $56.3 million, or 70.0% of the total.

Table R-4: REET Sales > $1 Million ($ in thousands)

Month of Activity	2015 No. of Sales	2015 Value	2014 No. of Sales	2014 Value	2015 v. 2014 No. of Sales	2015 v. 2014 Value $ Change	2015 v. 2014 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%
July	5	$14,797	2	$3,319	3	$11,478	345.8%
August	1	$1,095	5	$7,138	(4)	($6,043)	-84.7%
Totals	25	$80,412	20	$34,559	5	$45,854	132.7%
	Totals may not foot due to rounding.						

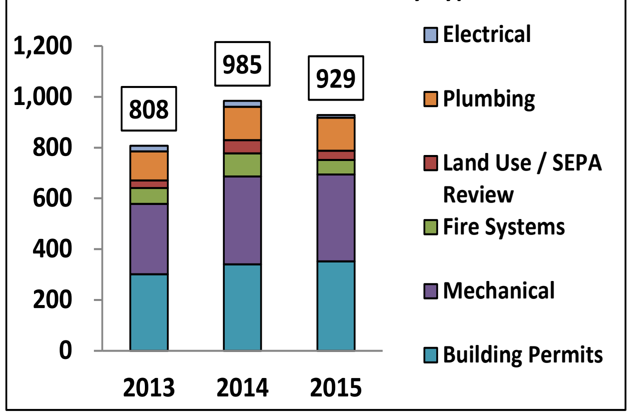
The number of permits issued in 2015 is 5.7% lower than the year-ago level, but the number of building permits issued and plan checks has increased 3.2% (See Table D-1 and Chart D-1).

Table D-1: Permit Count by Type

Type	2013	2014	2015	2015 v. 2014 # Chg.	2015 v. 2014 % Chg.
Building *	301	341	352	11	3.2%
Mechanical	277	345	342	(3)	-0.9%
Fire Systems	63	91	57	(34)	-37.4%
Land Use / SEPA Review	30	52	37	(15)	-28.8%
Plumbing	114	132	130	(2)	-1.5%
Electrical	23	24	11	(13)	-54.2%
Totals	808	985	929	(56)	-5.7%

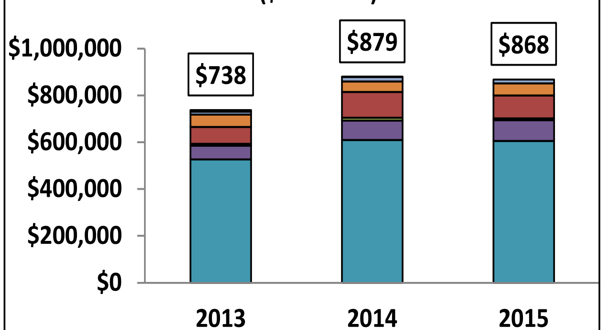
* Includes Plan Check

Chart D-1: Permit Count by Type



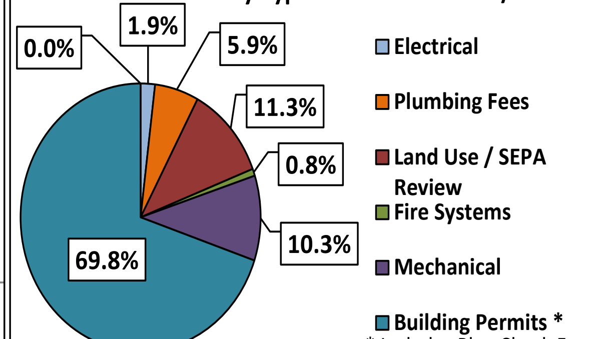
Permit revenue in August 2015 totaled $73,832. Total revenue to date is $867,719, which is 31.6% ahead of the year-to-date projection but 1.3% lower than the year-ago level.

Chart D-2: Revenue Received by Type ($ in '000's)



Refer to Legend for the Percentage of 2014 Revenue chart

Chart D-3: Percentage of 2015 Revenue Received by Type



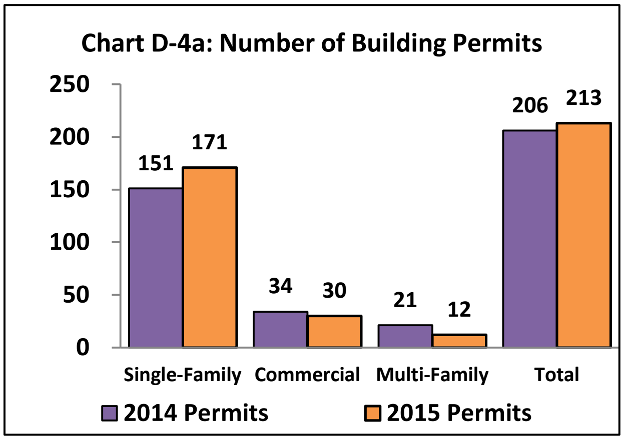
* Includes Plan Check Fees

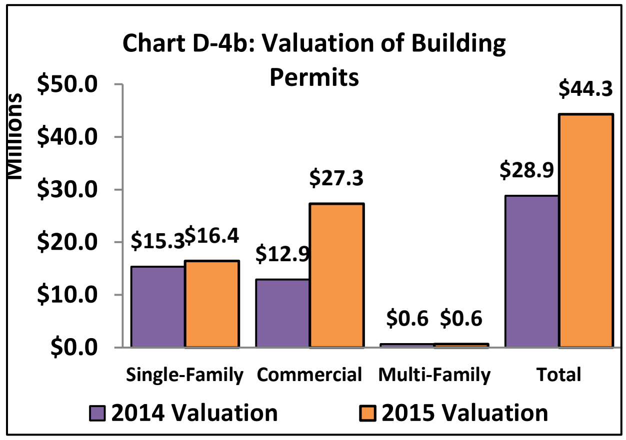
Valuation of 22 building permits for new construction and remodels issued in August totals $2.1 million and is comprised 90.5% of residential and 9.5% of commercial / multi-family valuation. Valuation of 213 building permits for new construction and remodels issued year-to-date totals $44.3 million (See Chart D-4b) and is comprised 37.0% of residential and 63.0% of commercial / multi-family valuation.

Table D-2: 2015 Issued Building Permits and Valuation ($ in thousands)

	Residential				Commercial				Multi-Family			
	New		Add/Remodel		New		Add/Remodel		New		Add/Remodel	
Month	#	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
July	7	$2,336	21	$1,327	0	$0	6	$1,177	0	$0	2	$406
August	5	$1,598	9	$286	1	$20	1	$80	0	$0	6	$135
Totals	29	$9,515	142	$6,896	2	$21,749	28	$5,534	0	$0	12	$647

Local development activity in 2015, in terms of the number of building permits pulled for new construction and remodels and the valuation in 2015, is higher than the year-ago level (See Charts D-4a and D-4b). 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)
- **July:**
  - US Biotek: 2-story office/lab building ($2.9M)

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)
- **July:**
  - Shopping Center @ Midvale and NE 175th St.: Addition/Remodel ($0.9M)