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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 (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							
Month of Activity	2015			2014			
	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%
July	\$694,590	\$716,638	\$753,169	↑ 8.4%	↑ 5.1%	\$725,205	↑ 3.9%
August	\$614,198	\$633,694	\$642,526	↑ 4.6%	↔ 1.4%	\$644,437	↔ -0.3%
Totals	\$5,495,773	\$5,670,220	\$5,864,304	↑ 6.7%	↑ 3.4%	\$5,657,181	↑ 3.7%
Totals may not foot due to rounding.							

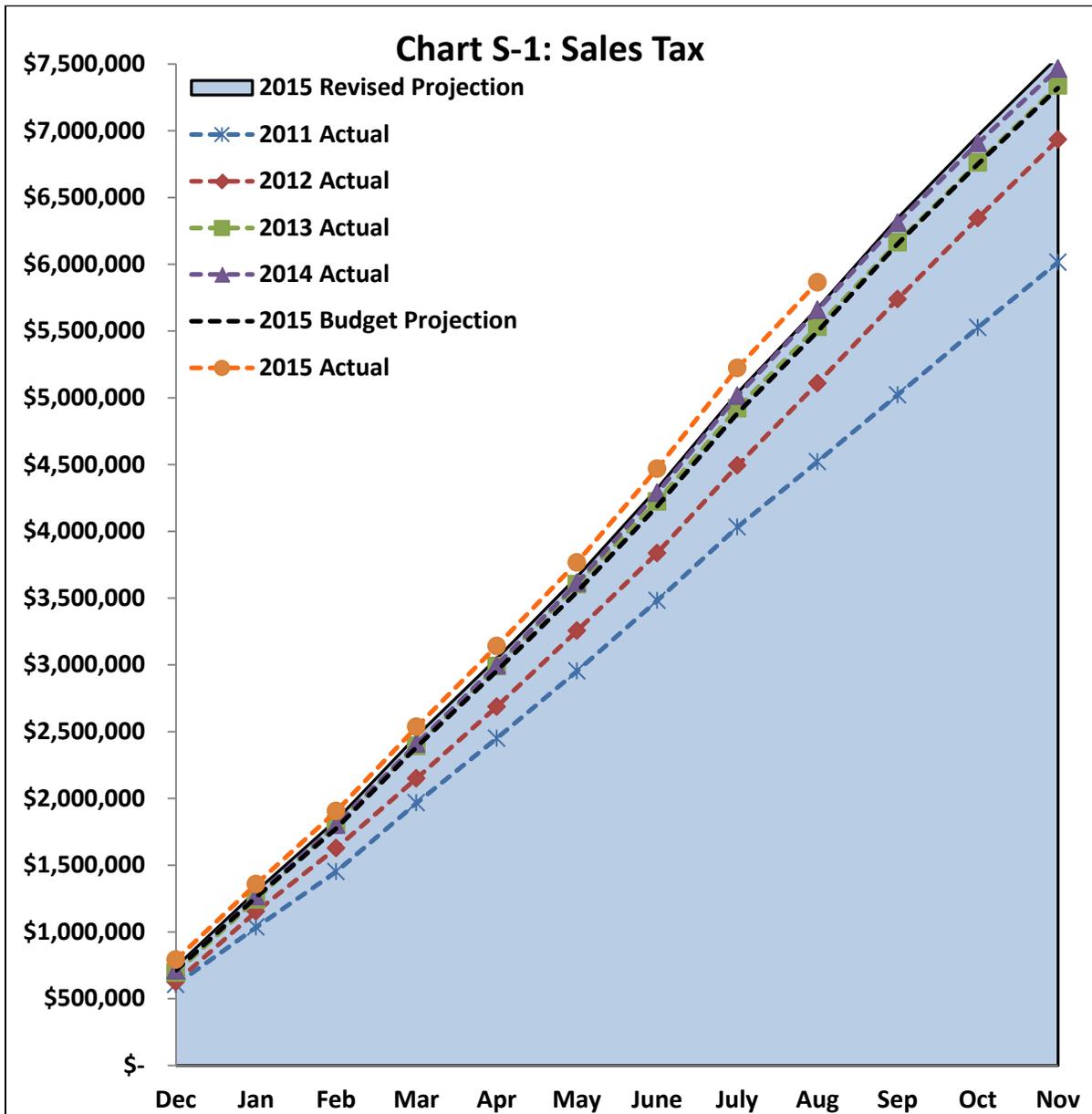
Total sales tax receipts through the month of October 2015, which reflects activity from December 2014 through August 2015, are higher than the budget projection by 6.7%, the revised projection by 3.4%, and the year-ago level by 3.7%. Removing one-time construction activity from the calculation reveals total receipts are higher than the budget projection by 6.4%, revised projection by 3.1% (See Table S-3), and the year-ago level by 5.6%.

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.

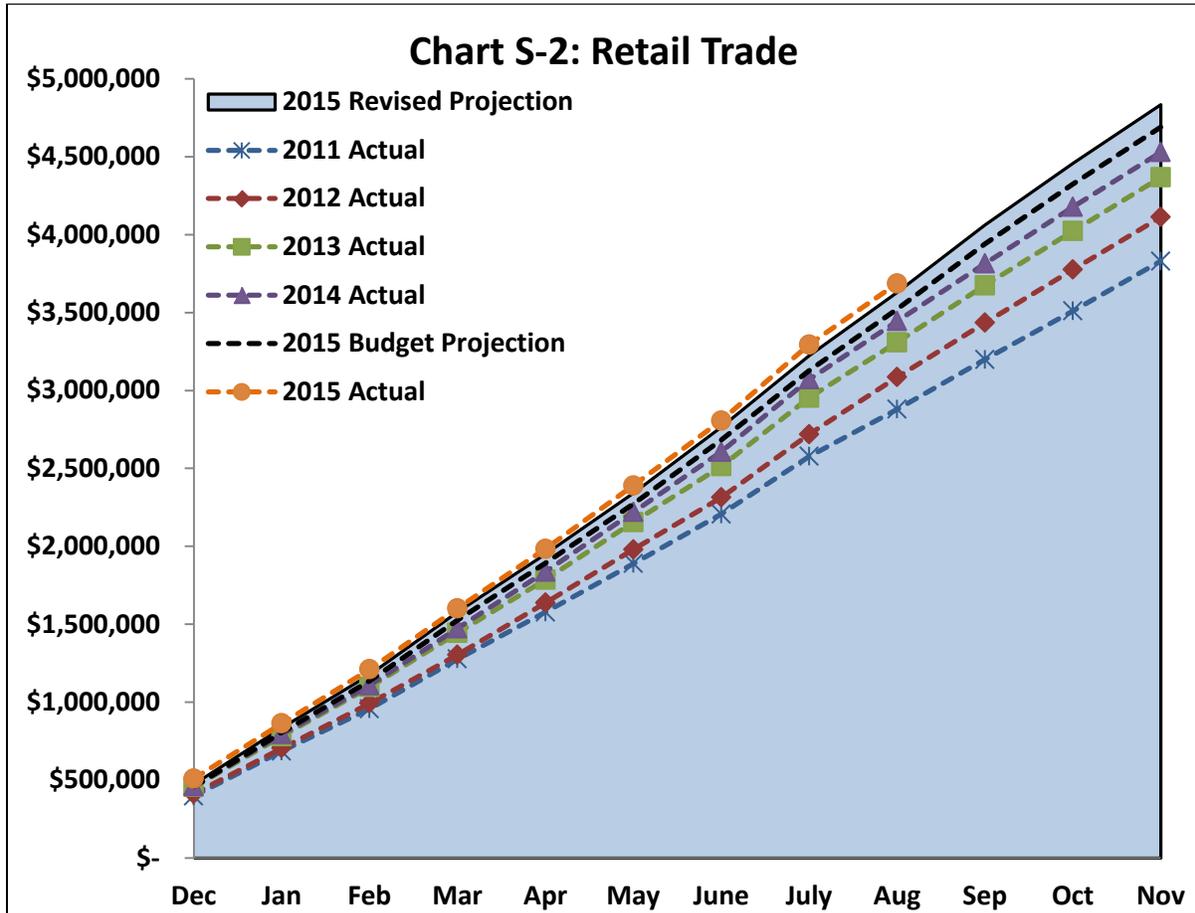
Table S-2: Sales Tax - Primary Sectors					
December (Prior Year) - August					
Primary Sector	2011	2012	2013	2014	2015
Construction	\$462,702	\$900,440	\$1,001,595	\$822,601	\$779,810
\$ Change	\$59,408	\$437,738	\$101,155	(\$178,994)	(\$42,791)
% Change	↑ 14.7%	↑ 94.6%	↑ 11.2%	↓ -17.9%	↓ -5.2%
Retail Trade	\$2,878,940	\$3,084,798	\$3,308,270	\$3,444,769	\$3,686,671
\$ Change	\$66,201	\$205,858	\$223,472	\$136,499	\$241,902
% Change	↑ 2.4%	↑ 7.2%	↑ 7.2%	↑ 4.1%	↑ 7.0%
Hotels / Restaurant	\$282,698	\$292,619	\$314,821	\$332,033	\$357,243
\$ Change	\$2,397	\$9,921	\$22,202	\$17,213	\$25,210
% Change	↔ 0.9%	↑ 3.5%	↑ 7.6%	↑ 5.5%	↑ 7.6%
All Others	\$896,093	\$829,969	\$906,822	\$1,057,778	1,040,580
\$ Change	\$70,135	(\$66,124)	\$76,853	\$150,956	(\$17,198)
% Change	↑ 8.5%	↓ -7.4%	↑ 9.3%	↑ 16.6%	↔ -1.6%
Total Revenue	\$4,520,433	\$5,107,826	\$5,531,508	\$5,657,181	\$5,864,304
\$ Change	\$198,141	\$587,393	\$423,682	\$125,673	\$207,123
% Change	↑ 4.6%	↑ 13.0%	↑ 8.3%	↑ 2.3%	↑ 3.7%

Table S-3: Comparison of 2015 YTD Actual Less One-Time to 2015 Budget Projection December (Prior Year) - August						
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	\$3,521,110	\$3,628,940	\$3,686,671	\$3,686,671	↑ 4.7%	↔ 1.6%
Construction Sector	\$660,208	\$680,426	\$779,810	\$762,524	↑ 15.5%	↑ 12.1%
Other Taxable Sales Sectors	\$1,314,455	\$1,360,854	\$1,397,823	\$1,397,823	↑ 6.3%	↑ 2.7%
Total Local Sales & Use Tax	\$5,495,773	\$5,670,220	\$5,864,304	\$5,847,018	↑ 6.4%	↑ 3.1%
Totals may not foot due to rounding.						



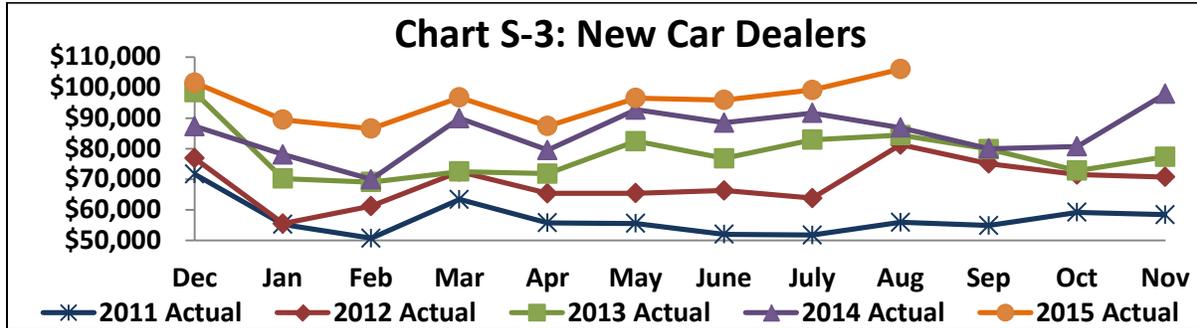
Retail Trade Sector:

Receipts from activity for December 2014 through August 2015 are higher than the budget projection by 4.7%, revised projection by 1.6% (See Table S-3), and year-ago level by 7.0% (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 6.0% lower than the year-ago level (See Table S-4).



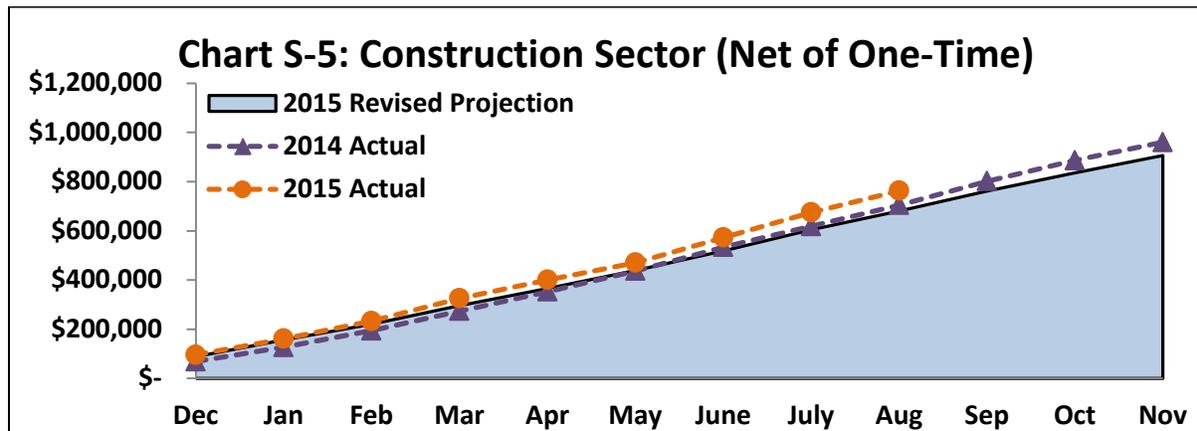
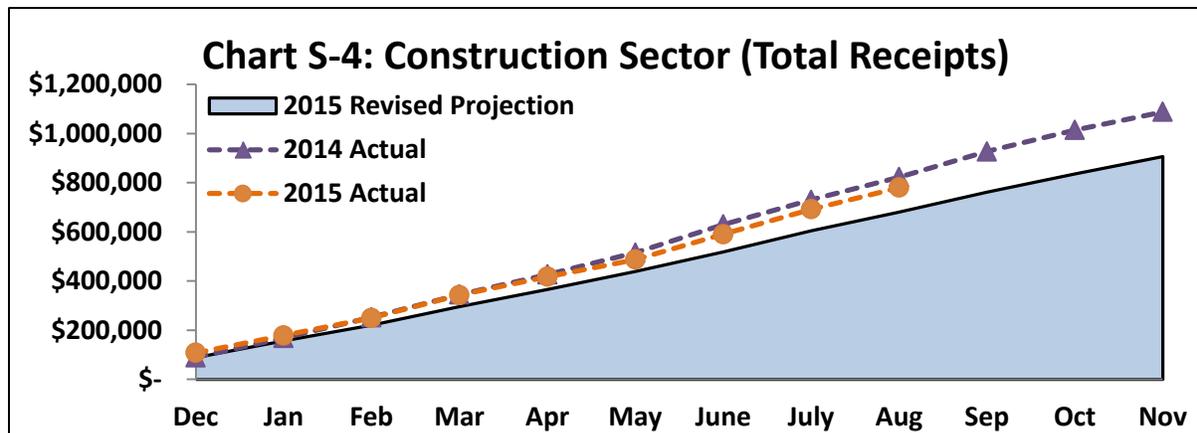
Category	2013	2014 v. 2013 % Change	2014	2015 v. 2014 % Change	2015
Motor Veh. & Parts Dealer	\$848,739	↑ 9.5%	\$929,393	↑ 8.7%	\$1,010,163
Furniture & Home Furnishings	\$44,786	↑ 4.4%	\$46,751	↓ -7.2%	\$43,388
Electronics & Appliances	\$69,750	↑ 17.6%	\$82,052	↓ -1.7%	\$80,639
Building Material & Garden	\$507,754	↑ 3.1%	\$523,390	↑ 16.5%	\$609,954
Food & Beverage Stores	\$199,323	↓ -4.6%	\$190,185	↑ 2.9%	\$195,782
Health & Personal Care Stores	\$121,057	↑ 3.9%	\$125,828	↑ 25.7%	\$158,174
Gasoline Stations	\$57,232	↔ 0.4%	\$57,485	↑ 4.4%	\$60,014
Clothing & Accessories	\$34,373	↑ 5.3%	\$36,196	↑ 18.5%	\$42,892
Sporting Goods, Hobby, Books	\$57,798	↑ 3.9%	\$60,039	↑ 3.1%	\$61,907
General Merchandise Stores	\$1,071,339	↔ 0.4%	\$1,075,617	↑ 2.6%	\$1,104,046
Miscellaneous Store Retailers	\$189,078	↔ 0.1%	\$189,280	↓ -6.0%	\$177,978
Nonstore Retailers	\$107,042	↑ 20.1%	\$128,552	↑ 10.3%	\$141,733
Total Retail Trade	\$3,308,270	↑ 4.1%	\$3,444,769	↑ 7.0%	\$3,686,671

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 August were higher than those for the same period of 2014, 2013, 2012 and 2011 by 22.1%, 25.6%, 30.4%, and 89.7%, respectively (See Chart S-3).



Construction Sector:

Receipts from activity for December 2014 through August 2015 of \$779,810 are 5.2% lower than the year-ago level of \$822,601 (See Table S-2 and Chart S-4). Of the amount collected so far this year, \$17,286, or 2.2%, is attributable to one-time activity. Of the amount collected for the same period of 2014, \$118,195, or 14.4%, was attributable to one-time activity. Removing one-time activity from the calculation reveals receipts are higher than the budget projection by 15.5%, revised projection by 12.1% (See Table S-3), and the year-ago level by 8.3% (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.

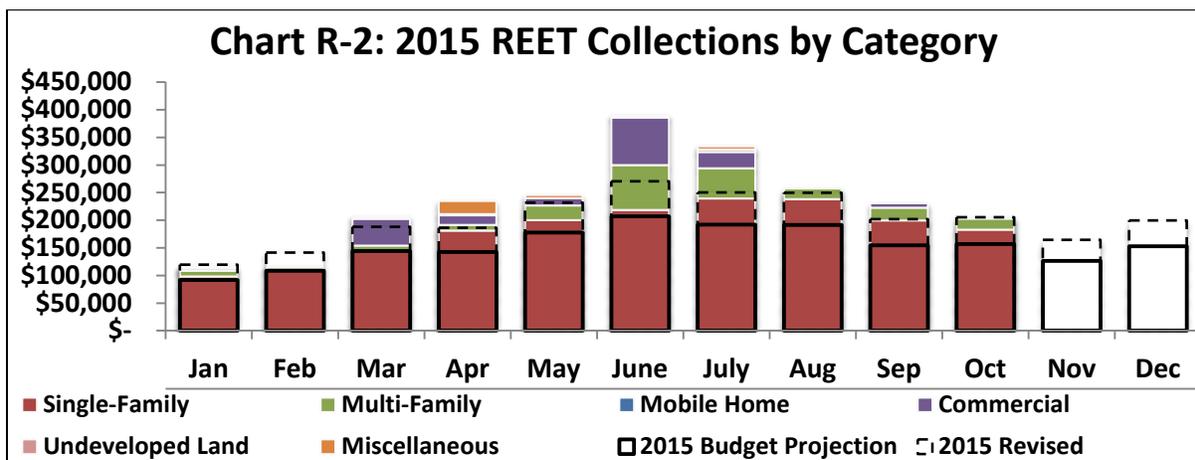
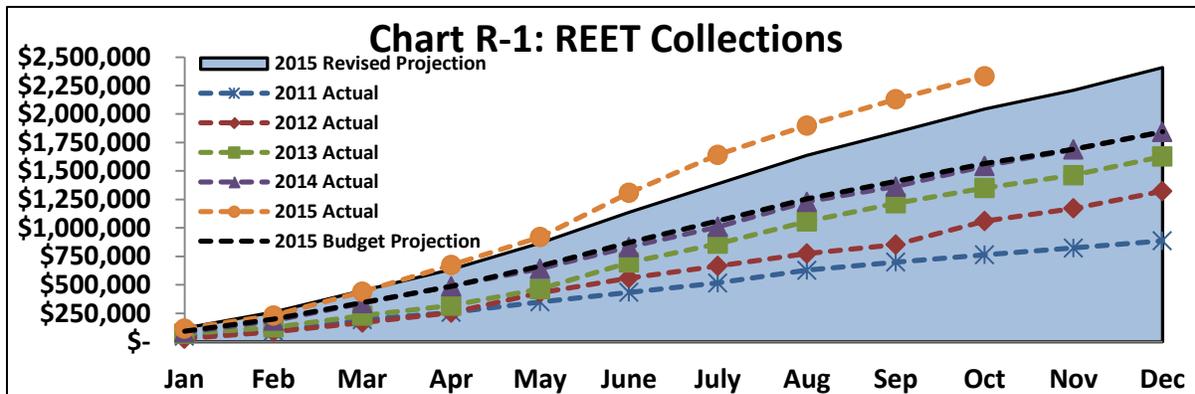


REET Collections:

Total REET collections through October 2015 totaling \$2,044,328 are ahead of the budget projection by 49.0%, the revised projection by 14.2%, and the year-ago level by 51.2%. 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					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	\$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%
September	\$154,494	\$201,666	\$230,572	↑ 49.2%	↑ 14.3%	\$135,348	\$95,224	↑ 70.4%
October	\$157,114	\$205,085	\$202,433	↑ 28.8%	↓ -1.3%	\$178,894	\$23,539	↑ 13.2%
Totals	\$1,566,137	\$2,044,328	\$2,333,637	↑ 49.0%	↑ 14.2%	\$1,543,045	\$790,593	↑ 51.2%

Totals may not foot due to rounding.



REET Transactions:

The number and value of the transactions in October 2015 were lower than the year-ago level. Year-to-date there has been 199 more transactions with a value that is \$158.1 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 October in 2014 and 2015. Of the transactions greater than \$1.0 million in 2015, 28 were SFRs (\$43.0 million) and 13 were businesses (\$60.3 million). In 2014, 14 were SFRs (\$20.5 million) and nine were businesses (\$19.5 million). Netting out the value of those transactions reveals a value that is \$94.8 million, or 35.3% higher.

Table R-2: 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%
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%
September	96	\$46,114	72	\$27,070	24	\$19,045	↑ 70.4%
October	83	\$40,487	93	\$35,779	(10)	\$4,708	↑ 13.2%
Totals	971	\$466,727	772	\$308,609	199	\$158,119	↑ 51.2%

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 October 2015.

Table R-3: 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	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
September	80	\$39,939	15	\$4,626	0	\$0	1	\$1,550	0	\$0	0	\$0
October	69	\$36,523	14	\$3,964	0	\$0	0	\$0	0	\$0	0	\$0
Totals	798	\$362,532	140	\$51,873	0	\$0	10	\$41,237	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 (71.3%) of the homes sold through October were priced from \$200,000 to \$499,999 with 31.7% priced from \$300,000 to \$399,999 and 26.9% 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 12.1% higher in 2015 than 2014 at \$430,599 and \$384,165, respectively.

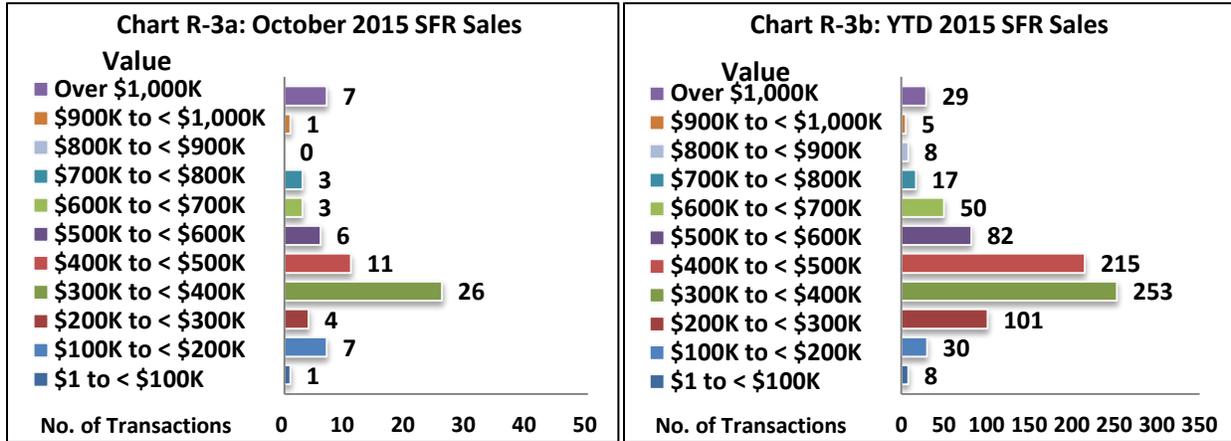


Table R-4 below exhibits the number and value of all residential and commercial transactions greater than \$1.0 million. In October 2015 there were six SFR transactions (\$10.2 million) and one commercial transaction (\$1.3 million). Year-to-date through October 2015, there have been 28 SFRs sold for more than \$1.0 million, which accounts for \$43.0 million, or 41.6%, of the total and 13 commercial properties, which accounts for \$60.3 million, or 58.4% of the total.

Table R-4: 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%
July	5	\$14,797	2	\$3,319	3	\$11,478	↑ 345.8%
August	1	\$1,095	5	\$7,138	(4)	(\$6,043)	↓ -84.7%
September	9	\$11,476	2	\$2,453	7	\$9,023	↑ 367.8%
October	7	\$11,482	1	\$3,000	6	\$8,482	↑ 282.7%
Totals	41	\$103,370	23	\$40,012	18	\$63,358	↑ 158.3%

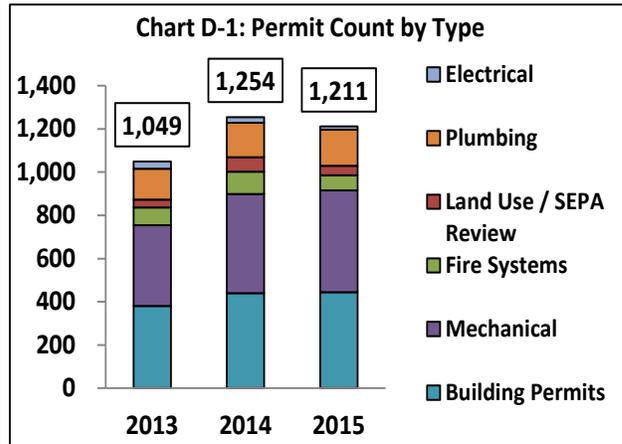
Totals may not foot due to rounding.

The number of permits issued in 2015 is 3.4% lower than the year-ago level, but the number of building permits issued and plan checks has increased 1.1% (See Table D-1 and Chart D-1).

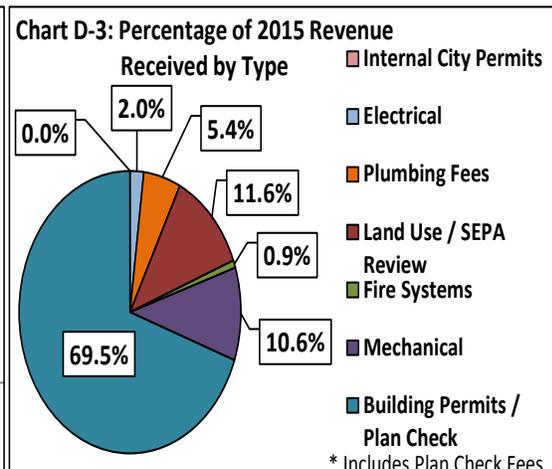
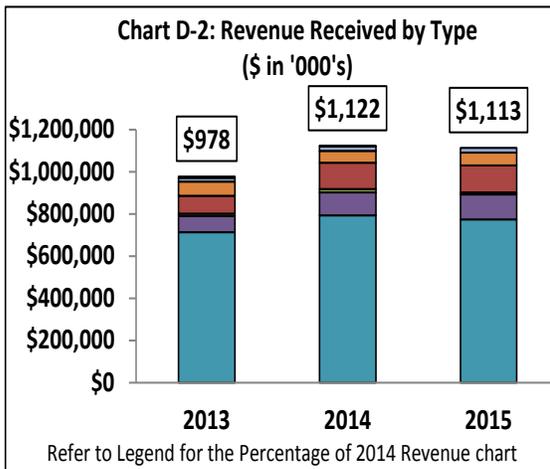
Table D-1: Permit Count by Type

Type	2013	2014	2015	2015 v. 2014 # Chg.	2015 v. 2014 % Chg.
Building *	381	440	445	5	1.1%
Mechanical	374	459	470	11	2.4%
Fire Systems	81	103	71	(32)	-31.1%
Land Use / SEPA Review	37	67	44	(23)	-34.3%
Plumbing	142	159	167	8	5.0%
Electrical	34	26	14	(12)	-46.2%
Totals	1,049	1,254	1,211	(43)	-3.4%

* Includes Plan Check



Permit revenue in October 2015 totaled \$154,546. Total revenue to date is \$1,112,938, which is 27.3% ahead of the year-to-date projection but 0.8% lower than the year-ago level.

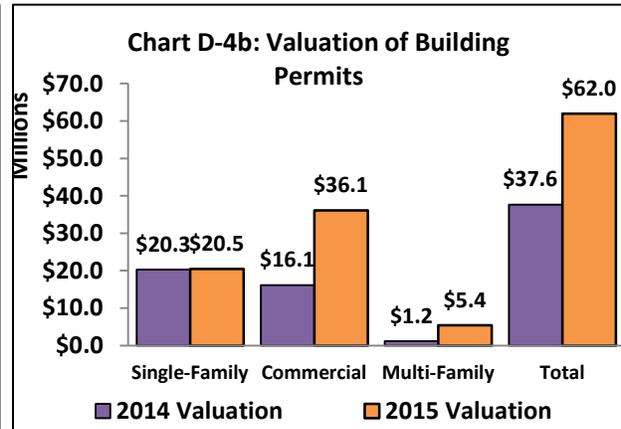
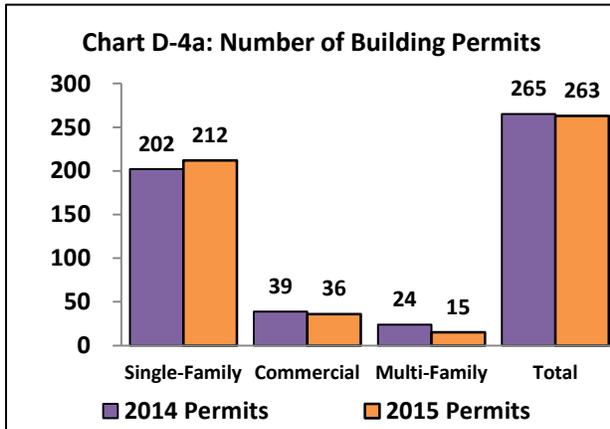


Valuation of 28 building permits for new construction and remodels issued in October totals \$15.7 million and is comprised 14.8% of residential and 85.2% of commercial / multi-family valuation. Valuation of 263 building permits for new construction and remodels issued year-to-date totals \$62.0 million (See Chart D-4b) and is comprised 33.1% of residential and 66.9% of commercial / multi-family valuation.

Table D-2: 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
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
September	2	\$1,461	16	\$304	0	\$0	3	\$187	0	\$0	1	\$30
October	4	\$1,469	19	\$854	2	\$8,298	1	\$300	2	\$4,750	0	\$0
Totals	35	\$12,446	177	\$8,054	4	\$30,047	32	\$6,021	2	\$4,750	13	\$677

Local development activity in 2015, in terms of the valuation, is higher than the year-ago level while the number of permits pulled is slightly lower (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)
- **September:**
 - Shoreline Star Apartments: 129-unit residential building (\$16.0M)

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)
- **September:**
 - Single-Family Residence: New Construction (\$1.3M)
- **October:**
 - Aurora Micro Apartments: New Construction (\$4.75M)
 - Compass Housing Alliance: New Construction (\$8.1M)