

Profile of City Revenue Sources and Sales Gap Leakage Analysis

City of University Place
Economic Development Task Force
March 28, 2002



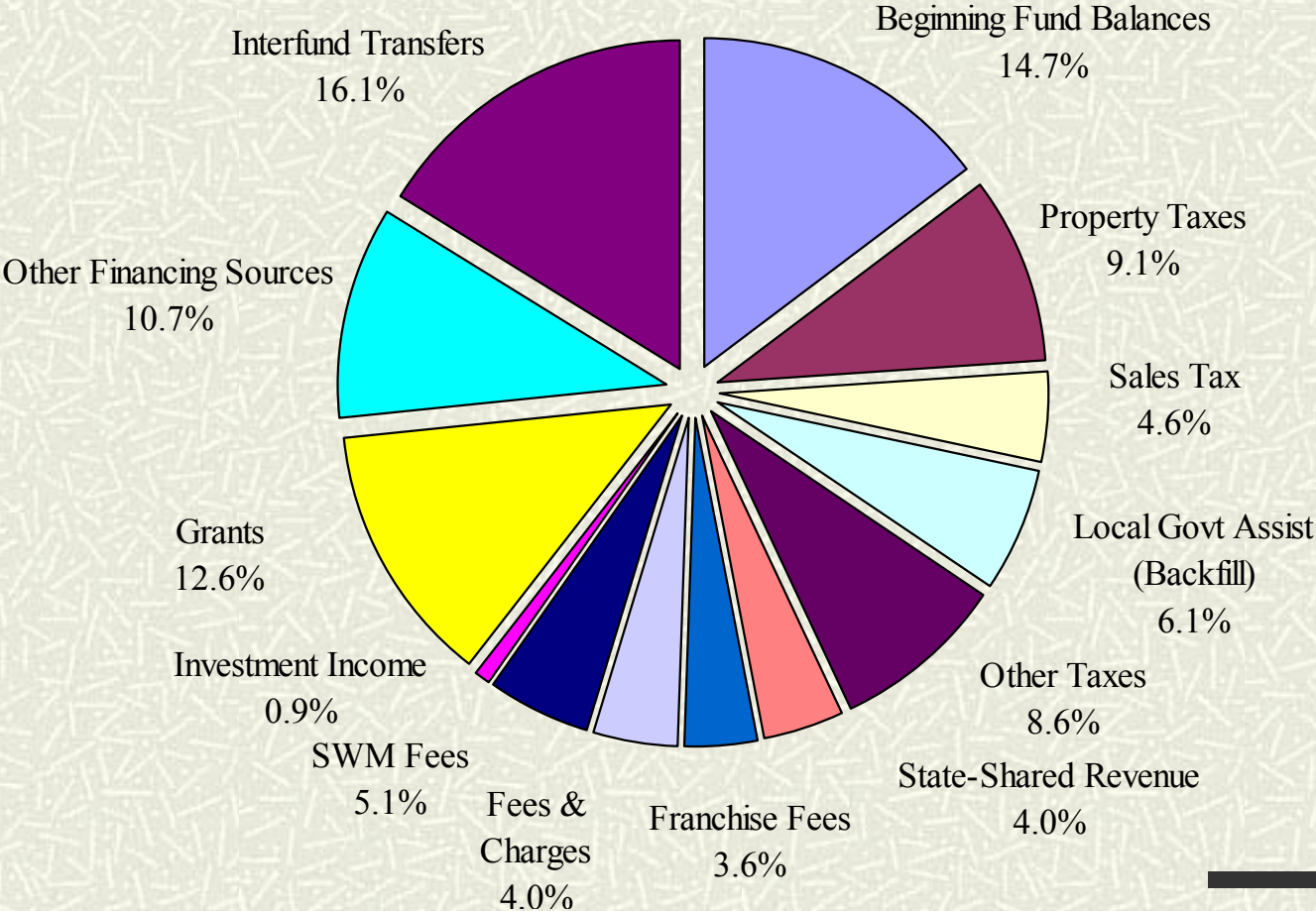
Introduction

- # Profile of City Revenue Sources
 - Total Sources and Revenues
 - Operating Revenues
 - General Fund Revenues
 - # Taxable Retail Sales Trends
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 - Taxable Retail Sales Trends – Select Jurisdictions
 - City of University Place Taxable Retail Sales Trends
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 - # Sales Gap Leakage Analysis
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Total Revenues and Sources

City of University Place

2001-2002 REVISED TOTAL SOURCES
\$61,610,009

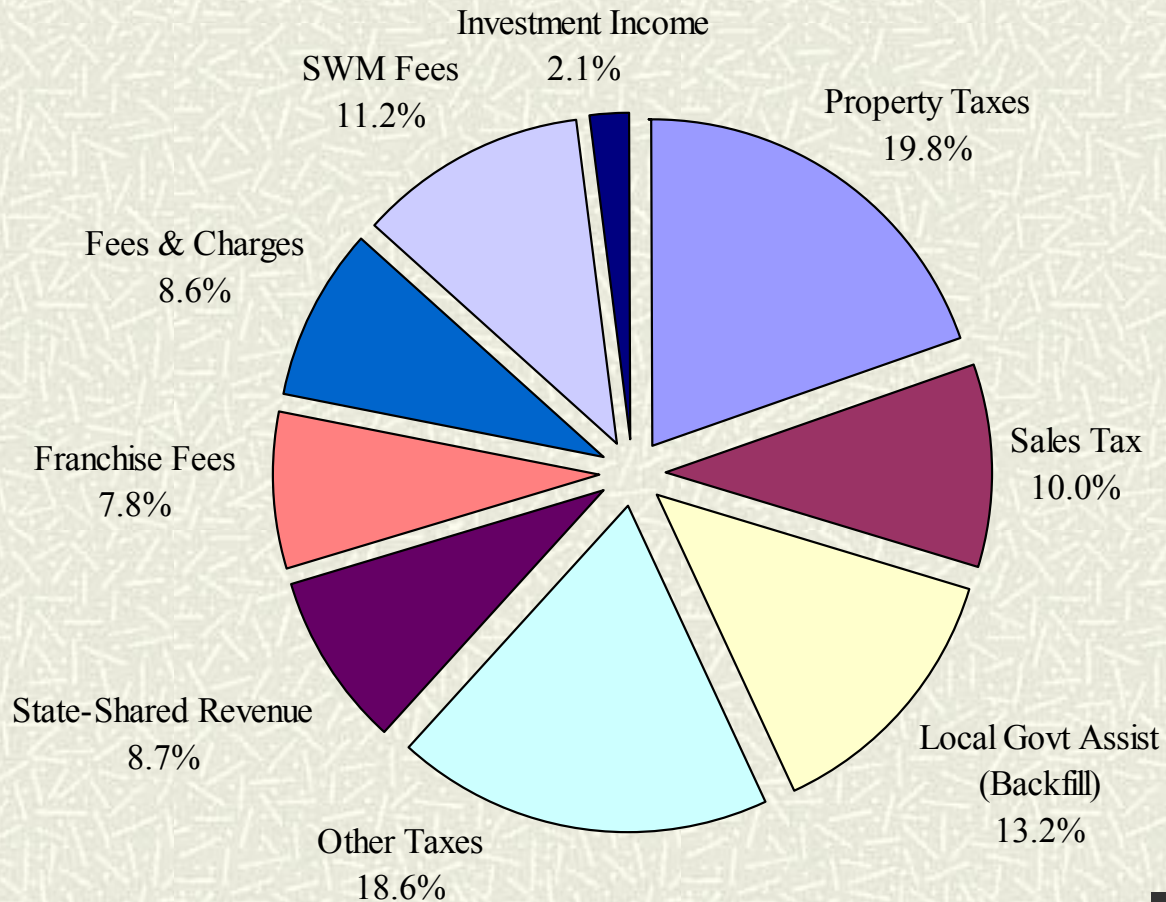


Total Operating Revenues

City of University Place

2001-2002 REVISED OPERATING REVENUES

\$28,332,896

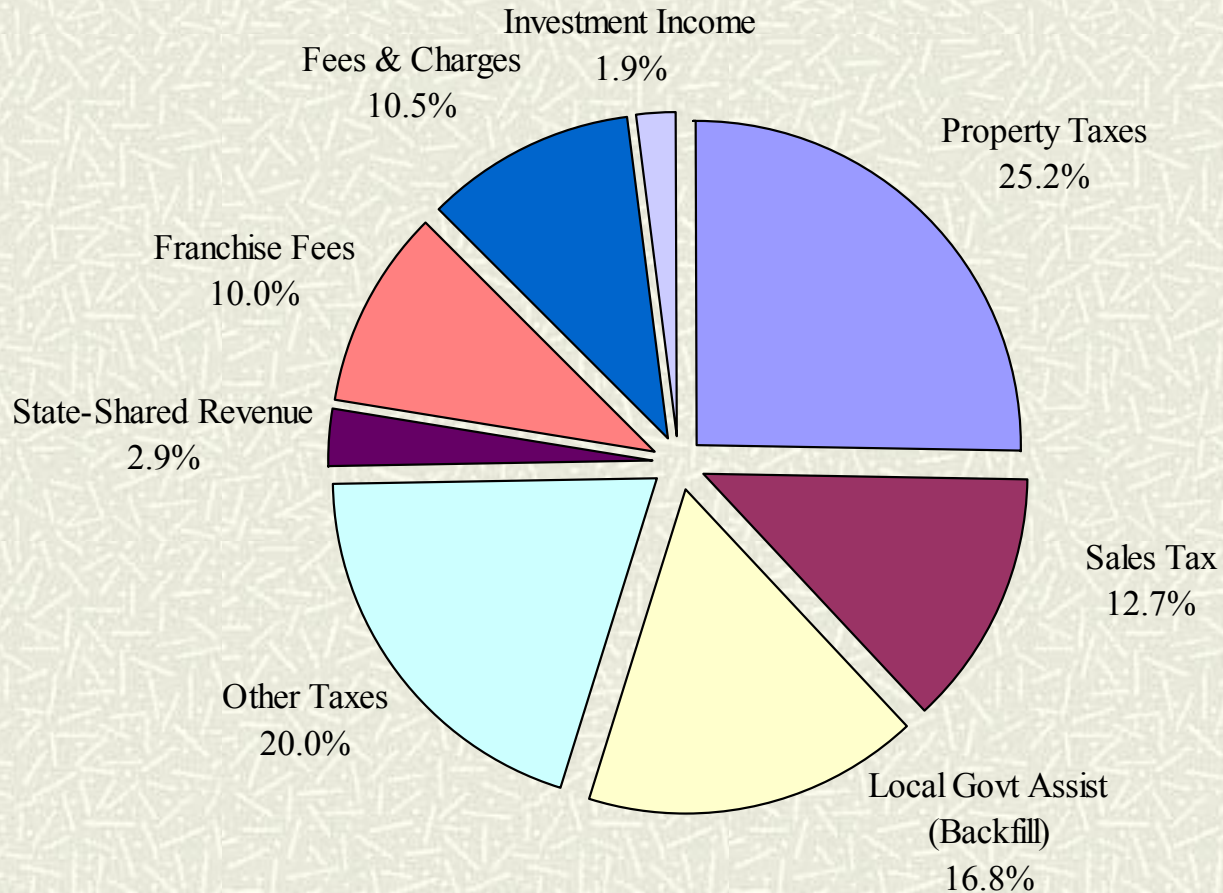


Total General Fund Revenues

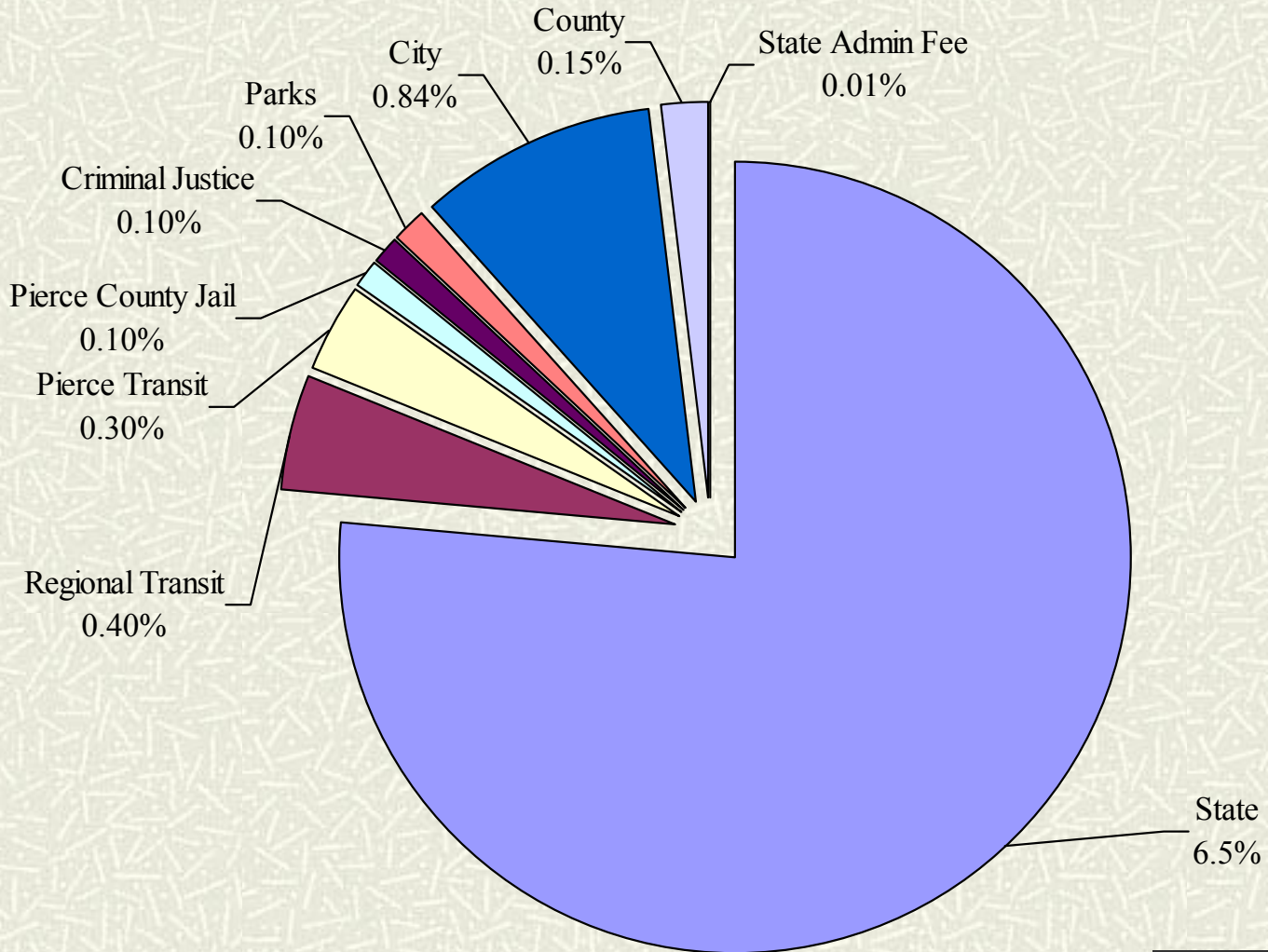
City of University Place

2001-2002 REVISED GENERAL FUND OPERATING REVENUES

\$22,236,713



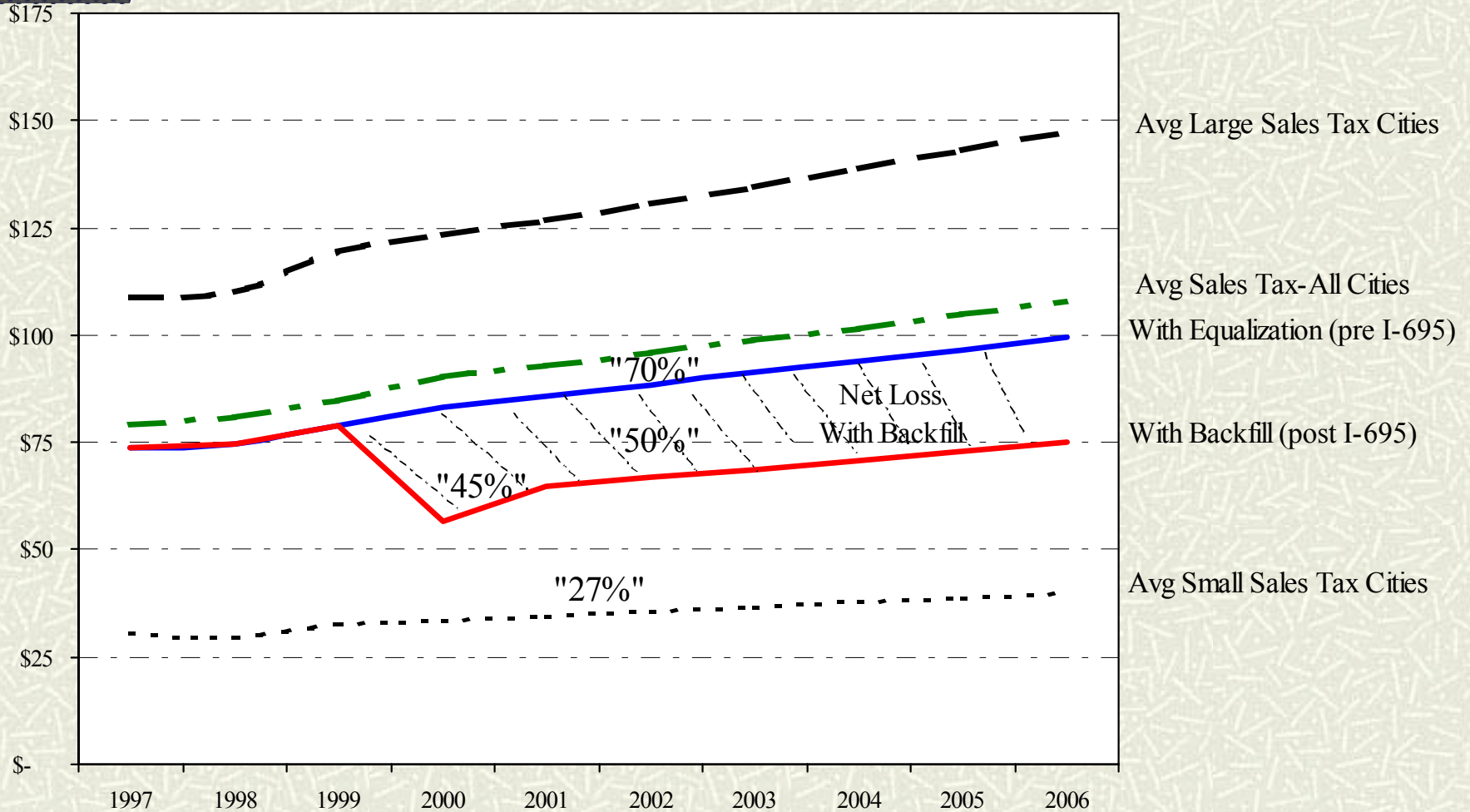
Sales Tax Allocation – 8.5%



Sales Tax Per Capita Analysis

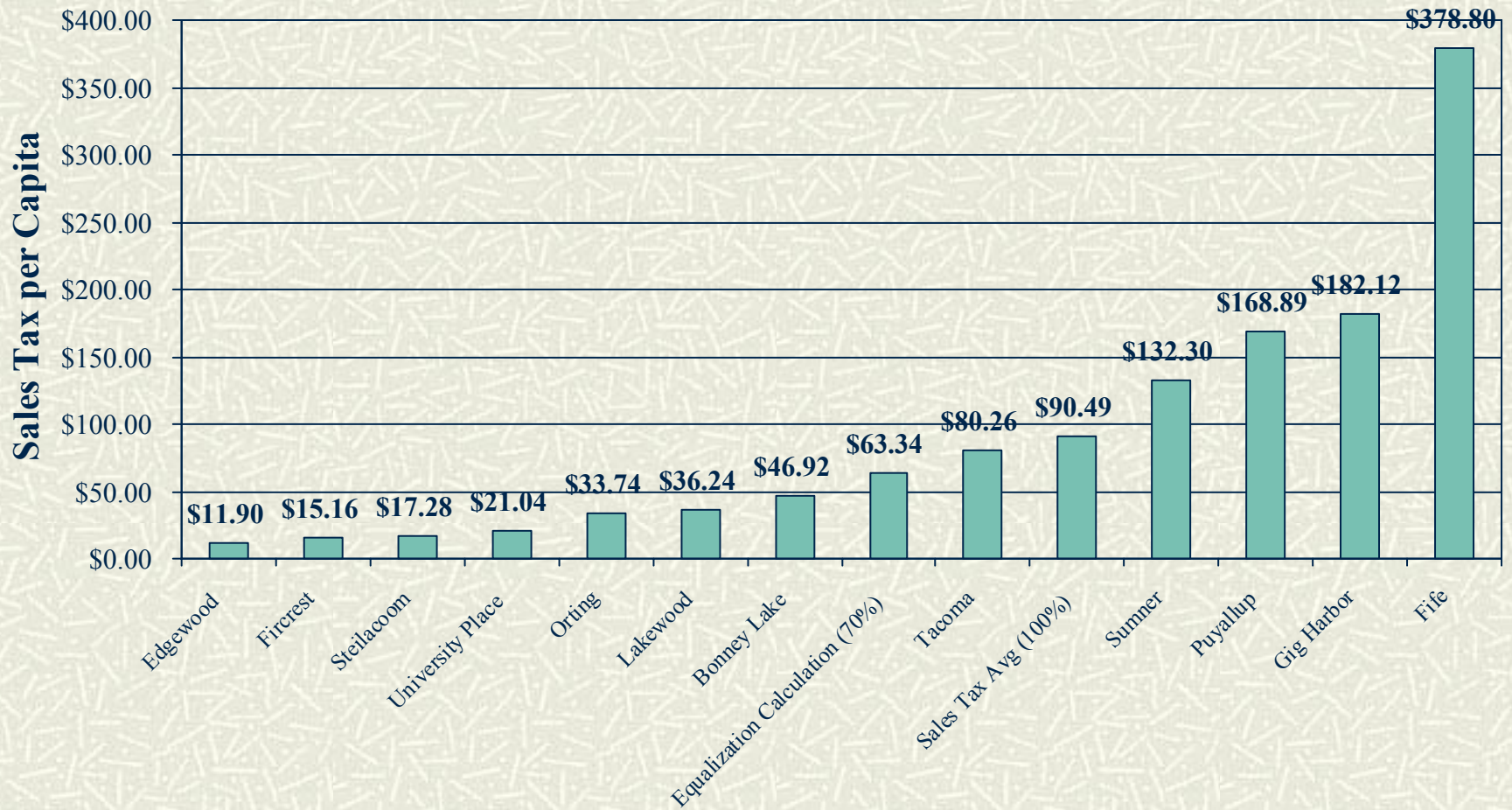
Washington State

1997 - 2006



Sales Tax Per Capita Comparisons

Select Pierce County Cities – CY 2000



Taxable Retail Sales Trends

Pierce County and Select Jurisdictions

Jurisdiction	1996	1997	1998	1999	2000	1999 - 2000		Avg
						\$ Change	% Change	Growth
<i>Bonney Lake</i>	\$79,677,103	\$92,224,756	\$99,941,470	\$105,106,328	\$123,248,911	\$18,142,583	17.3%	11.6%
<i>Edgewood</i>	12,640,776	19,429,965	21,799,519	29,140,444	43,493,338	14,352,894	49.3%	37.2%
<i>Fife</i>	285,316,098	342,536,896	402,375,694	439,457,222	509,358,348	69,901,126	15.9%	15.7%
<i>Fircrest</i>	15,759,030	19,760,261	19,458,587	19,358,359	20,056,867	698,508	3.6%	6.7%
<i>Gig Harbor</i>	145,761,348	209,230,242	238,723,216	258,241,428	289,627,773	31,386,345	12.2%	19.5%
<i>Lakewood</i>	286,208,700	413,175,123	458,292,390	497,902,283	547,741,812	49,839,529	10.0%	18.5%
<i>Orting</i>	16,245,955	18,870,442	21,400,619	27,923,598	34,450,539	6,526,941	23.4%	20.9%
<i>Puyallup</i>	897,701,751	991,323,464	1,074,174,568	1,185,493,268	1,306,302,964	120,809,696	10.2%	9.8%
<i>Steilacoom</i>	19,084,379	16,083,554	27,847,028	24,115,844	20,868,554	-3,247,290	-13.5%	7.6%
<i>Sumner</i>	145,811,344	170,810,974	201,161,698	252,175,701	259,592,397	7,416,696	2.9%	15.8%
<i>Tacoma</i>	2,796,281,987	2,882,735,481	3,072,540,673	3,284,342,689	3,440,506,585	156,163,896	4.8%	5.3%
<i>University Place</i>	96,844,157	110,907,796	123,749,596	143,611,918	166,849,523	23,237,605	16.2%	14.6%
<i>Burien</i>	339,505,083	364,757,007	388,206,421	400,354,480	427,885,398	27,530,918	6.9%	6.0%
<i>Olympia</i>	1,019,616,458	1,083,242,552	1,165,681,148	1,297,367,202	1,391,499,232	94,132,030	7.3%	8.1%
<i>Lacey</i>	369,644,162	365,280,466	403,080,134	429,767,336	443,262,850	13,495,514	3.1%	4.7%
<i>SeaTac</i>	576,613,043	612,884,177	691,998,577	736,705,233	815,659,094	78,953,861	10.7%	9.1%
<i>Des Moines</i>	102,248,179	114,547,218	129,745,013	153,647,953	163,506,126	9,858,173	6.4%	12.5%
<i>Unincorporated Pierce Co</i>	1,155,576,221	1,088,850,451	1,125,225,528	1,241,133,764	1,243,058,170	1,924,406	0.2%	2.0%
<i>Pierce County</i>	6,140,053,000	6,580,323,000	7,095,957,000	7,758,860,000	8,270,643,000	511,783,000	6.6%	7.7%
<i>Washington State</i>	63,807,596,000	69,347,635,000	73,865,218,000	79,683,553,000	84,747,510,000	5,063,957,000	6.4%	7.4%

Source: Taxable Retail Sales and Unit Count Calendar Year, Department of Revenue, calendar years 1996 - 2000.

Retail Sales Tax Trends

Pierce County and Select Jurisdictions

Jurisdiction	1996	1997	1998	1999	2000	1999 - 2000		Avg
						\$ Change	% Change	Growth
<i>Bonney Lake</i>	\$669,288	\$774,688	\$839,508	\$882,893	\$1,035,291	\$152,398	17.3%	11.6%
<i>Edgewood</i>	106,183	163,212	183,116	244,780	365,344	120,564	49.3%	37.2%
<i>Fife</i>	2,396,655	2,877,310	3,379,956	3,691,441	4,278,610	587,169	15.9%	15.7%
<i>Fircrest</i>	132,376	165,986	163,452	162,610	168,478	5,867	3.6%	6.7%
<i>Gig Harbor</i>	1,224,395	1,757,534	2,005,275	2,169,228	2,432,873	263,645	12.2%	19.5%
<i>Lakewood</i>	2,404,153	3,470,671	3,849,656	4,182,379	4,601,031	418,652	10.0%	18.5%
<i>Orting</i>	136,466	158,512	179,765	234,558	289,385	54,826	23.4%	20.9%
<i>Puyallup</i>	7,540,695	8,327,117	9,023,066	9,958,143	10,972,945	1,014,801	10.2%	9.8%
<i>Steilacoom</i>	160,309	135,102	233,915	202,573	175,296	-27,277	-13.5%	7.6%
<i>Sumner</i>	1,224,815	1,434,812	1,689,758	2,118,276	2,180,576	62,300	2.9%	15.8%
<i>Tacoma</i>	23,488,769	24,214,978	25,809,342	27,588,479	28,900,255	1,311,777	4.8%	5.3%
<i>University Place</i>	813,491	931,625	1,039,497	1,206,340	1,401,536	195,196	16.2%	14.6%
<i>Burien</i>	2,851,843	3,063,959	3,260,934	3,362,978	3,594,237	231,260	6.9%	6.0%
<i>Olympia</i>	8,564,778	9,099,237	9,791,722	10,897,884	11,688,594	790,709	7.3%	8.1%
<i>Lacey</i>	3,105,011	3,068,356	3,385,873	3,610,046	3,723,408	113,362	3.1%	4.7%
<i>SeaTac</i>	4,843,550	5,148,227	5,812,788	6,188,324	6,851,536	663,212	10.7%	9.1%
<i>Des Moines</i>	858,885	962,197	1,089,858	1,290,643	1,373,451	82,809	6.4%	12.5%
<i>Unincorporated Pierce Co</i>	9,706,840	9,146,344	9,451,894	10,425,524	10,441,689	16,165	0.2%	2.0%

Source: Taxable Retail Sales and Unit Count Calendar Year, Department of Revenue, calendar years 1996 - 2000.

Taxable Retail Sales Trends

City of University Place

Component	1996	1997	1998	1999	2000	2001	2000 - 2001		Avg Growth
							\$ Change	% Change	
<i>Retail Trade</i>	\$57,928,212	\$60,537,298	\$64,475,302	\$67,101,113	\$81,432,535	\$84,924,417	\$3,491,882	4.3%	8.1%
Apparel & Accessorie	-291,349	456,958	910,252	1,106,873	787,711	713,151	-74,560	-9.5%	20.6%
Automotive/Gas	2,418,892	2,306,196	2,564,161	2,848,474	2,616,714	3,211,705	594,990	22.7%	6.4%
Building Materials	3,572,589	1,493,029	2,364,460	1,998,023	2,915,613	2,459,124	-456,489	-15.7%	3.0%
Eating & Drinking	21,425,265	21,647,714	16,820,289	21,093,827	24,090,648	23,816,375	-274,273	-1.1%	3.4%
Food Stores	12,085,840	13,560,117	16,630,949	15,823,774	28,051,358	32,537,885	4,486,526	16.0%	24.7%
Furniture	3,284,075	4,340,725	6,490,994	5,167,024	4,714,368	3,367,825	-1,346,543	-28.6%	4.8%
General Merchandise	0	108,337	267,061	646,446	186,670	39,164	-147,506	-79.0%	34.6%
Retail Trade Misc	15,432,899	16,624,221	18,427,137	18,416,673	18,069,452	18,779,188	709,736	3.9%	4.1%
<i>Services</i>	17,424,630	18,355,011	20,531,724	23,209,357	23,721,642	24,909,479	1,187,837	5.0%	7.5%
Contracting	9,281,920	17,302,980	21,074,562	27,446,501	30,023,258	40,145,380	10,122,121	33.7%	36.3%
Transp/Comm/Utilities	3,879,821	5,105,364	6,406,210	7,689,120	9,789,544	12,492,596	2,703,052	27.6%	26.4%
Wholesaling	2,881,611	3,450,674	4,134,270	5,639,206	7,286,060	5,327,704	-1,958,356	-26.9%	15.7%
Manufacturing	1,929,229	1,970,133	2,322,671	3,078,873	3,669,836	3,772,596	102,761	2.8%	14.9%
Other	1,668,457	1,786,562	1,963,258	2,333,124	2,463,386	3,002,904	539,518	21.9%	12.7%
Finance/Insur/Real Estate	1,409,143	1,536,644	1,316,793	4,788,069	4,022,175	5,330,187	1,308,012	32.5%	55.0%
Government	441,135	863,131	1,524,806	2,326,555	4,441,088	5,810,789	1,369,701	30.8%	69.3%
Total	\$96,844,157	\$110,907,796	\$123,749,596	\$143,611,918	\$166,849,523	\$185,716,051	\$18,866,529	11.3%	13.9%

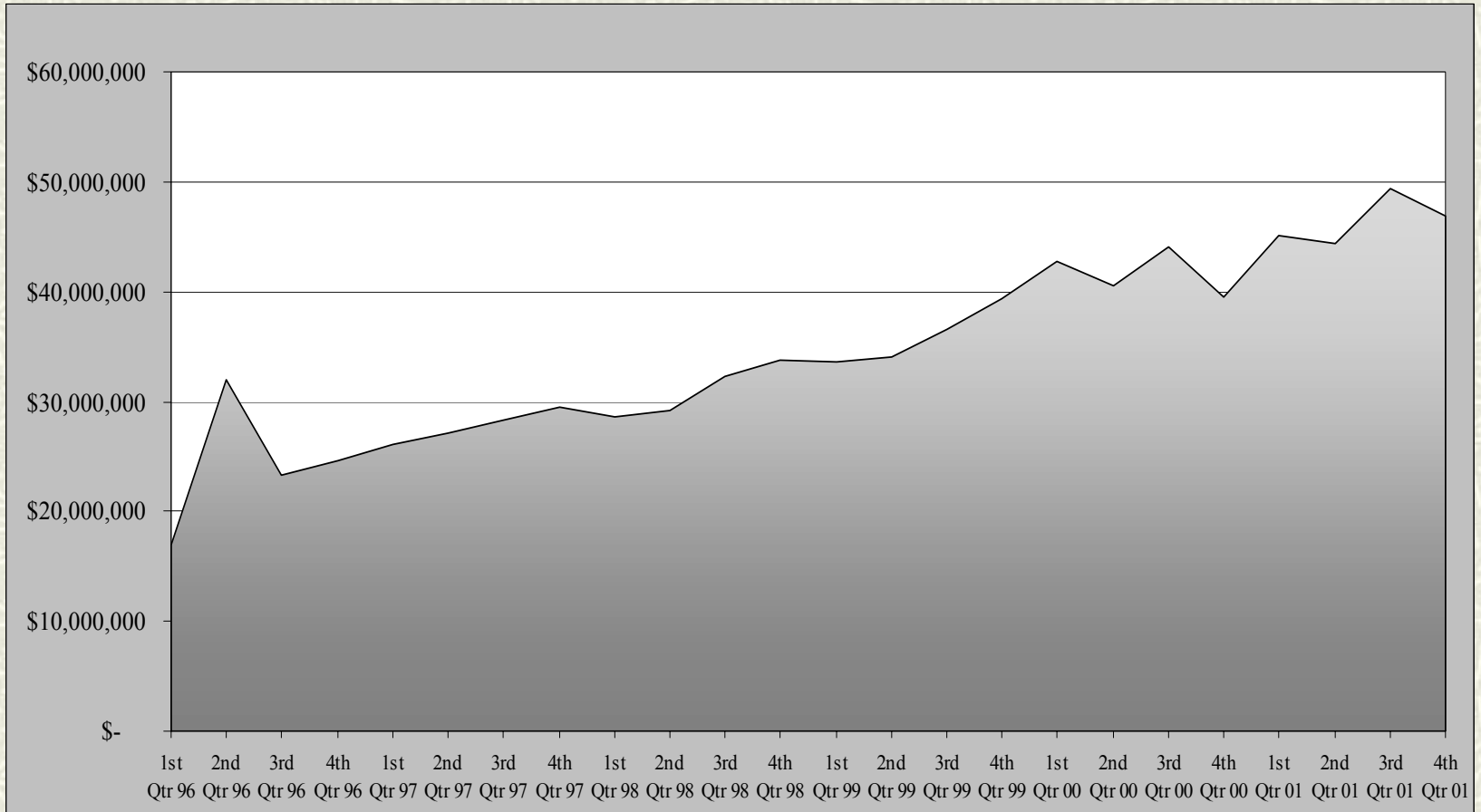
Retail Sales Tax Trends

City of University Place

Component	1996	1997	1998	1999	2000	2001	2000 - 2001		Avg
							\$ Change	% Change	
<i>Retail Trade</i>	\$ 486,597	\$ 508,513	\$ 541,593	\$ 563,649	\$ 684,033	\$ 713,365	\$ 29,332	4.3%	8.1%
Apparel & Accessorie	(2,447)	3,838	7,646	9,298	6,617	5,990	(626)	-9.5%	20.6%
Automotive/Gas	20,319	19,372	21,539	23,927	21,980	26,978	4,998	22.7%	6.4%
Building Materials	30,010	12,541	19,861	16,783	24,491	20,657	(3,835)	-15.7%	3.0%
Eating & Drinking	179,972	181,841	141,290	177,188	202,361	200,058	(2,304)	-1.1%	3.4%
Food Stores	101,521	113,905	139,700	132,920	235,631	273,318	37,687	16.0%	24.7%
Furniture	27,586	36,462	54,524	43,403	39,601	28,290	(11,311)	-28.6%	4.8%
General Merchandise	-	910	2,243	5,430	1,568	329	(1,239)	-79.0%	34.6%
Retail Trade Misc	129,636	139,643	154,788	154,700	151,783	157,745	5,962	3.9%	4.1%
<i>Services</i>	146,367	154,182	172,466	194,959	199,262	209,240	9,978	5.0%	7.5%
Contracting	77,968	145,345	177,026	230,551	252,195	337,221	85,026	33.7%	36.3%
Transp/Comm/Utilities	32,591	42,885	53,812	64,589	82,232	104,938	22,706	27.6%	26.4%
Wholesaling	24,206	28,986	34,728	47,369	61,203	44,753	(16,450)	-26.9%	15.7%
Manufacturing	16,206	16,549	19,510	25,863	30,827	31,690	863	2.8%	14.9%
Other	14,015	15,007	16,491	19,598	20,692	25,224	4,532	21.9%	12.7%
Finance/Insur/Real Estate	11,837	12,908	11,061	40,220	33,786	44,774	10,987	32.5%	55.0%
Government	3,706	7,250	12,808	19,543	37,305	48,811	11,505	30.8%	69.3%
Total	\$ 813,491	\$ 931,625	\$ 1,039,497	\$ 1,206,340	\$ 1,401,536	\$ 1,560,015	\$ 158,479	11.3%	13.9%

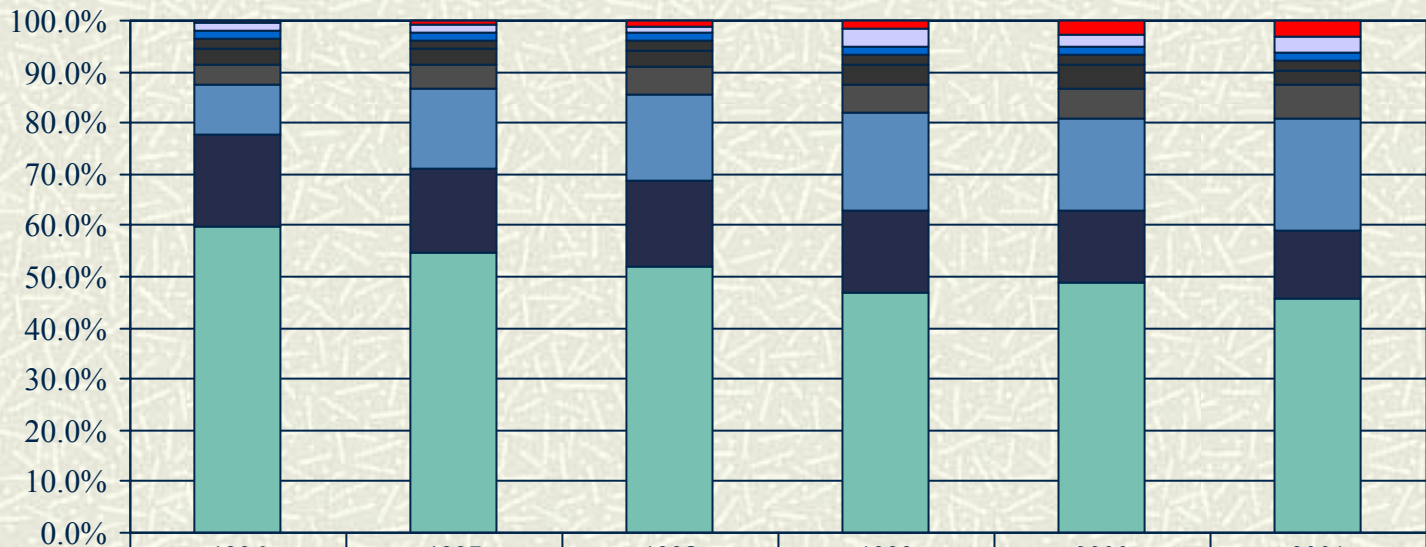
Taxable Retail Sales 1996 - 2001

City of University Place



Taxable Retail Sales by SIC Code

City of University Place

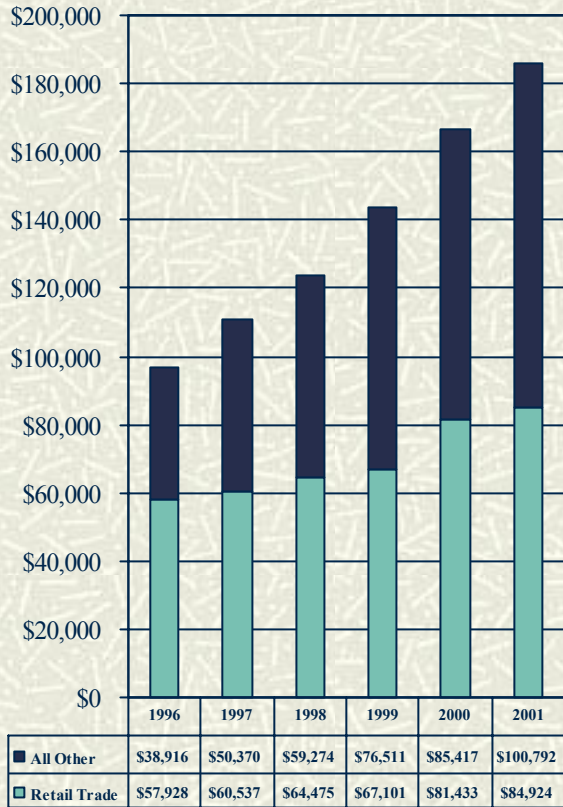


	1996	1997	1998	1999	2000	2001
■ Government	0.5%	0.8%	1.2%	1.6%	2.7%	3.1%
□ Fin/Insur/Real Estate	1.5%	1.4%	1.1%	3.3%	2.4%	2.9%
■ Other	1.7%	1.6%	1.6%	1.6%	1.5%	1.6%
■ Manufacturing	2.0%	1.8%	1.9%	2.1%	2.2%	2.0%
■ Wholesale	3.0%	3.1%	3.3%	3.9%	4.4%	2.9%
■ Transp/Comm/Utility	4.0%	4.6%	5.2%	5.4%	5.9%	6.7%
■ Contracting	9.6%	15.6%	17.0%	19.1%	18.0%	21.6%
■ Svcs	18.0%	16.5%	16.6%	16.2%	14.2%	13.4%
■ Retail Trade	59.8%	54.6%	52.1%	46.7%	48.8%	45.7%

Taxable Retail Sales 1996 - 2001

City of University Place

Retail Trade vs. All Other (000's)



■ Average Annual Growth 1996 - 2001

- Total 13.9%
- Retail Trade 8.1%
- Without Fred Meyer 4.7%
- All Other 21.2%

Taxable Retail Sales Trends by Business Area

Taxable Retail Sales	1996	1997	1998	1999	2000	2001	2000 - 2001		Avg
							\$ Change	% Change	Growth
Citywide	\$96,844,157	\$110,907,796	\$123,749,596	\$143,611,918	\$166,849,523	\$185,716,051	\$18,866,529	11.3%	13.9%
Annual Growth	n/a	14.5%	11.6%	16.1%	16.2%	11.3%			
Town Center (27th-40th)	36,648,732	37,330,587	40,759,983	43,276,725	46,936,082	43,377,442	(3,558,640)	-7.6%	3.6%
Annual Growth	n/a	1.9%	9.2%	6.2%	8.5%	-7.6%			
Narrows Plaza	13,768,473	16,001,506	19,217,681	22,834,886	26,337,613	29,785,005	3,447,392	13.1%	16.7%
Annual Growth	n/a	16.2%	20.1%	18.8%	15.3%	13.1%			
Fred Meyer	-	-	-	-	D	D	D	D	D
Annual Growth	n/a	n/a	n/a	n/a	n/a	n/a			
27th Business Corridor	9,718,982	10,997,902	12,799,540	14,060,219	15,113,702	15,837,102	723,400	4.8%	10.3%
Annual Growth	n/a	13.2%	16.4%	9.8%	7.5%	4.8%			
D denotes industries for which sales volume could not be reported due to protection of confidential information for individual retail operators.									

Sales Tax Collections by Business Area

Town Center

- Safeway, Albertson's, Payless, Pic N Save, Walgreen's, McCabe's Automotive Repair, Stortini's, Ace Hardware, Shari's, Jack in the Box

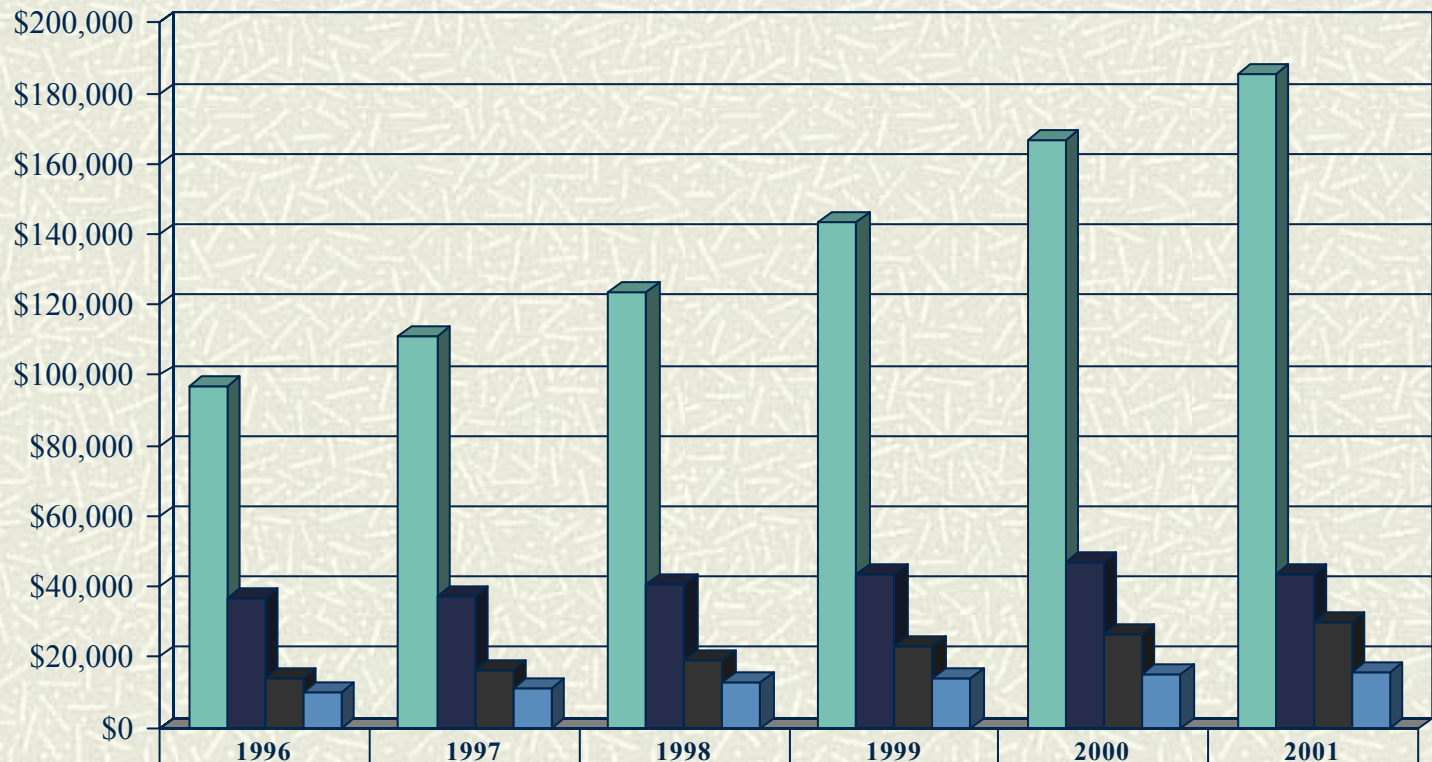
Narrows Plaza

- DOL, Gasperetti's, Keg, Narrows Bowling, Wendy's, Ruby Tuesday's, College Food Svc, Bridgeport Food Svc, Ale House

27th Business District

- Broadcast Supply Worldwide, Precision Tune, Northwest Snowboards, Pine Cone, Tenant Screening Svcs, Smoke and Stuff, Ink Inc., Homestyle, A I R Import Repairs, Cheer's West
-

Taxable Retail Sales Trends by Business Area (000's)



	1996	1997	1998	1999	2000	2001
Citywide	\$96,844	\$110,908	\$123,750	\$143,612	\$166,850	\$185,716
Town Center	\$36,648	\$37,331	\$40,760	\$43,277	\$46,936	\$43,377
Narrows Plaza	\$13,768	\$16,002	\$19,218	\$22,835	\$26,338	\$29,785
27th St Business Corridor	\$9,719	\$10,998	\$12,800	\$14,060	\$15,114	\$15,837

Sales Gap Leakage Analysis

Taxable Retail Sales (000's)

Component	Sales Actual	Sales Potential	Sales Leakage	Percent Leakage	Number of Businesses reported*
<i>Automotive</i>	\$ 6,733	\$ 55,760	\$ (49,026)	-87.9%	13
<i>Contractors & Housing</i>	37,773	76,856	(39,083)	-50.9%	210
<i>Business Services</i>	15,189	49,943	(34,754)	-69.6%	75
<i>Apparel</i>	837	23,408	(22,572)	-96.4%	3
<i>Health Services</i>	299	22,859	(22,560)	-98.7%	2
<i>Utilities</i>	44	19,178	(19,134)	-99.8%	0
<i>Household Equipment</i>	4,397	19,555	(15,158)	-77.5%	28
<i>Social Services</i>	119	15,244	(15,124)	-99.2%	1
<i>Recreation</i>	7,910	22,411	(14,501)	-64.7%	6
<i>Food Stores</i>	28,409	39,924	(11,515)	-28.8%	58
<i>Misc. Retail</i>	18,544	29,886	(11,342)	-37.9%	15
<i>Insurance</i>	1,904	9,510	(7,606)	-80.0%	1
<i>Education</i>	631	6,267	(5,637)	-89.9%	4
<i>Transportation</i>	1,187	5,457	(4,270)	-78.3%	2
<i>Auto Repair</i>	6,868	9,558	(2,691)	-28.2%	21
<i>Credit Agencies</i>	798	3,355	(2,558)	-76.2%	8
<i>Personal Services</i>	1,405	3,396	(1,991)	-58.6%	14
<i>Postal Service</i>	25	1,577	(1,553)	-98.4%	0
<i>Telephone</i>	8,561	8,920	(358)	-4.0%	48
<i>Restaurants</i>	25,216	24,535	682	2.8%	12
Total	\$ 166,849	\$ 447,600	\$ (280,751)	-62.7%	521
*Only includes those businesses that pay sales tax.					

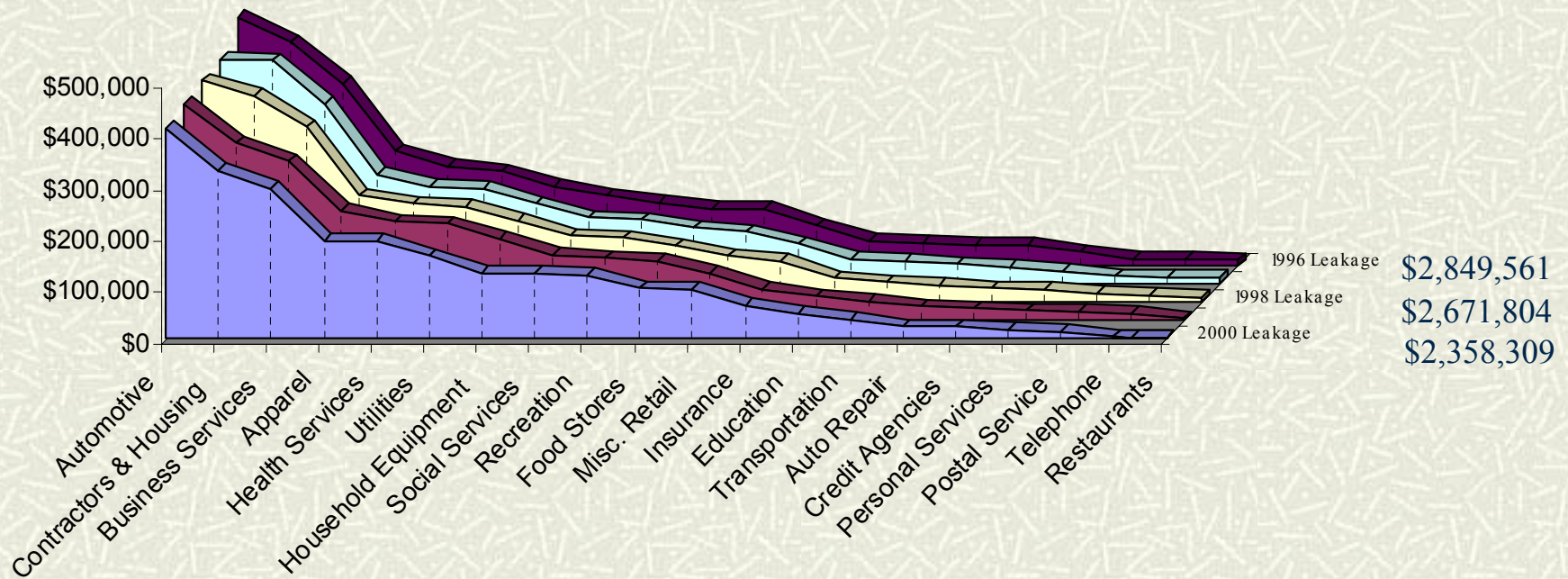
Sales Gap Leakage Analysis

Retail Sales Tax (000's)

Component	Sales Actual	Sales Potential	Sales Leakage	Percent Leakage	Number of Businesses reported*
<i>Automotive</i>	\$ 57	\$ 468	\$ (412)	-87.9%	13
<i>Contractors & Housing</i>	317	646	(328)	-50.9%	210
<i>Business Services</i>	128	420	(292)	-69.6%	75
<i>Apparel</i>	7	197	(190)	-96.4%	3
<i>Health Services</i>	3	192	(190)	-98.7%	2
<i>Utilities</i>	0	161	(161)	-99.8%	0
<i>Household Equipment</i>	37	164	(127)	-77.5%	28
<i>Social Services</i>	1	128	(127)	-99.2%	1
<i>Recreation</i>	66	188	(122)	-64.7%	6
<i>Food Stores</i>	239	335	(97)	-28.8%	58
<i>Misc. Retail</i>	156	251	(95)	-37.9%	15
<i>Insurance</i>	16	80	(64)	-80.0%	1
<i>Education</i>	5	53	(47)	-89.9%	4
<i>Transportation</i>	10	46	(36)	-78.3%	2
<i>Auto Repair</i>	58	80	(23)	-28.2%	21
<i>Credit Agencies</i>	7	28	(21)	-76.2%	8
<i>Personal Services</i>	12	29	(17)	-58.6%	14
<i>Postal Service</i>	0	13	(13)	-98.4%	0
<i>Telephone</i>	72	75	(3)	-4.0%	48
<i>Restaurants</i>	212	206	6	2.8%	12
Total	\$ 1,402	\$ 3,760	\$ (2,358)	-62.7%	521
*Only includes those businesses that pay sales tax.					

Sales Gap Leakage Analysis

Retail Sales Tax



Conclusion/Q& A

